

h 31, 1933  
ES  
Herfurth  
TH  
RIES  
Hill Street  
ANGELES  
S  
ELL  
RY  
O.  
Chicago  
A.  
a Life  
Business—  
Chicago  
Inc.  
City  
g  
A  
D  
City  
City  
SON  
ES  
k City  
N  
PHIA  
a Life  
national  
health  
year.

# The Nation

LIFE INSURANCE

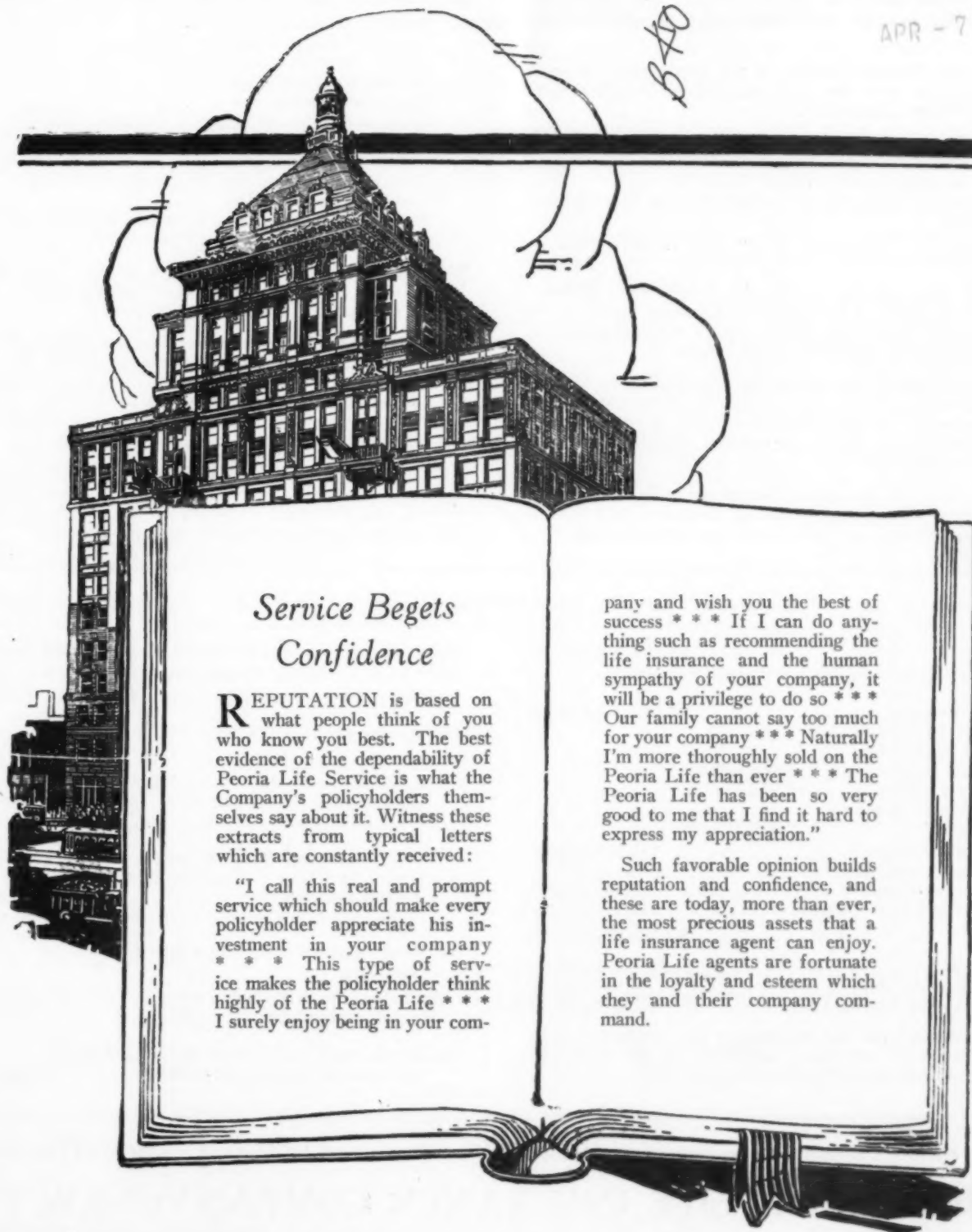
GENERAL LIBRARY  
UNIVERSITY OF MICHIGAN  
ANN ARBOR MICH  
S LIFE

# erwriter

EDITION

FRIDAY, APRIL 7, 1933

APR - 7 1933



## *Service Begets Confidence*

REPUTATION is based on what people think of you who know you best. The best evidence of the dependability of Peoria Life Service is what the Company's policyholders themselves say about it. Witness these extracts from typical letters which are constantly received:

"I call this real and prompt service which should make every policyholder appreciate his investment in your company \* \* \* This type of service makes the policyholder think highly of the Peoria Life \* \* \* I surely enjoy being in your com-

pany and wish you the best of success \* \* \* If I can do anything such as recommending the life insurance and the human sympathy of your company, it will be a privilege to do so \* \* \* Our family cannot say too much for your company \* \* \* Naturally I'm more thoroughly sold on the Peoria Life than ever \* \* \* The Peoria Life has been so very good to me that I find it hard to express my appreciation."

Such favorable opinion builds reputation and confidence, and these are today, more than ever, the most precious assets that a life insurance agent can enjoy. Peoria Life agents are fortunate in the loyalty and esteem which they and their company command.

## Peoria Life Insurance Company

PEORIA, ILLINOIS

# METROPOLITAN LIFE INSURANCE COMPANY

*Annual Report to the Holders of 42,672,418 Life Insurance Policies*

**D**URING the past year this Company has maintained its strong position in the life insurance field.

Metropolitan's life insurance issued, revived and increased in 1932 amounted to more than Three and a Quarter Billion Dollars.

The income for 1932, the largest in the Company's history, showed an increase over the previous year of \$14,859,229.33 and amounted to \$921,953,100.70.

The Metropolitan in 1932

- paid to policyholders \$562,804,650.79
- added to policy reserves \$109,755,306.00.
- set aside for dividends to policyholders in 1933, \$101,685,956.00
- increased its contingency reserve by \$26,550,000.00.
- increased its surplus by \$13,541,501.95.

The assets of the Company at the end of 1932 were \$3,769,372,425.28, an increase of \$179,256,771.56 during 1932. New investments made in 1932 amounted to more than \$300,000,000 and cash on hand was increased to \$64,025,923.35.

After making provision for policy reserves and other liabilities, and after the apportionment of \$101,685,956 for dividends, the Company held, on December 31st, 1932, a contingency reserve of \$43,000,000, and a surplus of \$240,811,739.47—a total of \$283,811,739.47.

The strength of a life insurance company lies in the spread of its obligations over a long period of years and in a sound policy of diversification of investment pursued through the

years under expert guidance and in accordance with conservative investment limitations prescribed by law.

Metropolitan assets consist of

Cash .....	1.70%
Bonds—Federal, State and Municipal.....	7.70%
Bonds—Railroad .....	18.00%
Bonds—Public Utility .....	9.03%
Bonds—Miscellaneous .....	3.28%
Stocks—(Preferred 2.028%; Common 0.002%)..	2.03%
Mortgages on Real Estate	
City 34.42%; Farm 4.38%.....	38.80%
Real Estate (including foreclosed properties)....	2.78%
Loans to Policyholders .....	12.63%
Premiums, deferred and in course of collection..	2.01%
Interest due and accrued, Rents, etc. ....	2.04%

The favorable mortality experience of the Company in 1932 has followed its careful selection of business and the continuation of its health and welfare activities.

During the year 1932 many leading corporations of the country paid millions of dollars to the Company for contracts covering their employees for Group Life, Health and Accident protection and for future Retirement Incomes under some of which continuing payments on the part of the Metropolitan will extend into the next century.

Life insurance is the most effective way of providing for the future of one's self and one's dependents. Through the Metropolitan approximately one-fifth of the people of the United States and Canada are making such provision.

## Report for the Year Ending December 31, 1932

*(In accordance with the Annual Statement filed with the New York State Insurance Department)*

**Assets .....** \$3,769,372,425.28  
*(Greater than those of any other financial institution in the world)*

**Liabilities**

Statutory Reserve .....	\$3,195,064,184.00
Reserve for Dividends payable in 1933 upon	
Industrial Policies .....	\$50,648,419.00
Ordinary Policies .....	48,756,772.00
Accident and Health Policies .....	2,280,765.00
Total Dividends .....	101,685,956.00
All Other Liabilities .....	188,810,545.81
Contingency Reserve .....	43,000,000.00
Unassigned Funds (Surplus) .....	240,811,739.47
	<b>\$3,769,372,425.28</b>

Income in 1932.....	\$921,953,100.70
Increase in Income during 1932.....	14,859,229.33
Increase in Assets during 1932.....	179,256,771.56

Note—The values used for stocks and for bonds not subject to amortization are those furnished by the National Convention of Insurance Commissioners.

**Paid-for Life Insurance Issued, Revived and Increased in 1932, \$3,273,178,268. Ordinary, \$1,571,593,135; Industrial, \$1,555,395,118; Group (Excluding Increased) \$146,190,015.**

**Life Insurance Outstanding**

Ordinary Insurance .....	\$9,903,141,559.00
Industrial Insurance (premiums payable weekly or monthly).....	6,535,046,064.00
Group Insurance .....	2,542,555,585.00

Total Insurance Outstanding.....	\$18,980,743,208.00
Policies in Force (including 1,349,680 Group Certificates) .....	42,672,418

*(More than those of any other life insurance company in the world)*

**Accident and Health Insurance Outstanding**

Principal Sum Benefit.....	\$1,345,345,796.00
Weekly Indemnity .....	12,341,911.00

**Dividends Paid to Policyholders to date plus those declared for 1933.....** \$823,137,177.61

*This is a mutual Company. There are no stockholders. All of its assets are held for the benefit of its Policyholders.*

## METROPOLITAN LIFE INSURANCE COMPANY::NEW YORK

FREDERICK H. ECKER, President

LEROY A. LINCOLN, Vice-President and General Counsel



# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 14

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, APRIL 7, 1933

\$3.00 Per Year, 15 Cents a Copy

### Officials Differ in Their Views

Regardless of Strong Personal  
Opinions, Conference May  
Bring Uniformity

### GREAT INTEREST SHOWN

Expected That Chicago Meeting of Insurance Commissioners May Bring  
Better Understanding

NEW YORK, April. 6.—Predictions as to the probable outcome of the commissioners' meeting in Chicago this week are extremely scarce. Those who are in the best position to hazard an accurate forecast are also aware that wide differences of opinion prevail and that these diverging views have the support of some strong personalities. It is expected to be a lively session but there are hopes that out of it will come some sort of uniform regulations that will be more satisfactory than the present method of each state issuing its individual regulations.

### No Major Changes Now

That no major changes in New York's regulations are to be looked for before the conference may be inferred from a statement by Superintendent Van Schaick in his announcement of certain additional liberalizing features in which he states that "the future attitude of the New York department will be announced after the benefit of the discussions at that gathering."

These latest liberalizations permit loans above the \$100 limit for taxes, interest, rent, hospital and medical expenses and food, educational purposes, agricultural purposes, and for prevention of penalties on prior commitments.

### May Secure Partial Removals

Since many of the states having policy loan moratoria have not added these or other liberalizations, it is assumed that considerable attention will be devoted at the meeting to securing uniformity on these features, which amount to partial removals of the restrictions.

There would seem to be little cause to fear that any commissioner or group of commissioners will go ahead and lift the moratorium prematurely. Some of the companies most favorably situated as to liquidity could stand demands for loans and surrenders far in excess of anything they have yet been called upon to meet. Yet there is no doubt that such a run would swamp some of the weaker companies and the resulting fright among policyholders would quickly bring about a rush of panic proportions which no company in existence could meet.

The result on policy loans when a company fails or even is threatened with disaster was shown by the Illinois Life

(CONTINUED ON PAGE 10)

### Standard Practice Desired

Meeting of Insurance Commissioners Convention Likely  
to Provide for a Gradual Unfoldment of the Moratorium Blanket for All Fundamental Requirements

The meeting of the National Convention of Insurance Commissioners at the Palmer House in Chicago, Friday and Saturday of this week will tend to crystallize sentiment on the life insurance moratoria issued in various states. It is hoped that there may be some agreement as to uniformity in practice and there may be considerable discussion as to how and when these edicts shall be removed.

Following the meeting of the company executives from the west and south in Chicago last week, a committee consisting of Daniel Boone, president Midland Life of Kansas City, who is head of the American Life Convention; B. K. Elliott, manager and general counsel of the organization; O. J. Arnold, president Northwestern National Life, and Henry Abels, vice-president of the Franklin Life, went to New York to confer with Superintendent Van Schaick. The Chicago meeting followed a conference in that city with Nelson B. Hadley, chief life insurance examiner from New York. Some companies evidently had taken the position that there should be at least a partial lifting of the moratorium in New York or placing it on a restricted basis, the same as is done with banks where they cannot open on a 100 percent basis. It was feared New York might take some independent step in this direction.

### Officials Were Alarmed

This alarmed the officials throughout the west and south, they believing that any attempt to place a moratorium on a restricted basis or to lift it at this time would be highly detrimental and might be very destructive. If Superintendent Van Schaick had any such plan in mind the delegation hoped to dissuade him because the contention was that any effort on part of any one state to take action without regard to others would lead to reciprocal attacks of a highly violent nature and perhaps ultimately an appeal to the national government if the movement became so acute that other states could not control the situation.

In the meantime Insurance Commissioner Brown of Minnesota, president of the National Convention of Insurance Commissioners, agreed to call the meeting in Chicago. Before Commissioner Brown could decide just what action to take he was sounding out some of the officers. Some felt that the meeting should consist only of the officers and members of the executive committee while others believed that a general meeting should be held. It was found, for example, that some states do not have sufficient appropriation for their officials to attend many meetings of this kind. It would be unfair for a commissioner himself to shoulder the expense. However, Commissioner Brown called a general meeting and asked the various officials to wire him if they could attend.

There are many questions to come up

in view of the differences here and there. There have been modifications of original plans in some states. There are perhaps 14 states or so that have not issued any edicts. The companies domiciled in those states have encountered some difficulties, especially where they announced that owing to the rulings of other states they could not pay surrenders or loan values. In some cases violent threats were made by a few policyholders and companies were forced to pay regardless. Some states where the moratorium does apply have contended that it is unfair for companies to pay policyholders in some states where no official action has been taken and be prohibited in others.

There is some feeling between companies down east on the subject and also on the farm mortgage moratorium movement that started in Iowa. Some leading executives have taken opposite views and much bitterness has been engendered.

### Drift of Opinion Seen

It now seems that no state in the near future will lift or modify its moratorium to provide for a restricted opening but there is a general drift of opinion that so-called necessary claims for legitimate fundamental uses should be allowed. Companies would have to decide on the good faith of claimants. Superintendent Van Schaick of New York this week modified his original decree to provide for such claims. Superintendent Palmer of Illinois had acted along that line previously. A few other commissioners have taken similar action. It is claimed by many company officials that this is the logical course to take. People that want the money for actual needs, where they cannot get it anywhere else, should not be debarred from receiving it from their life insurance.

The impression grows that there should be a gradual unfolding of the

(CONTINUED ON PAGE 10)

### Mollified Policyholder Lays Down \$200,000 Cash

Within a period of only a week or two, I. B. Jacobs, educational director of the Spaulding agency of the Mutual of New York in Chicago, had the experience of arguing with a policyholder for an hour or more against surrendering two policies, subject to the cash being paid when the moratorium is lifted, and then of having the man walk in unannounced and lay down \$100,000 currency and four certified checks, each for \$25,000, with which he purchased a single premium retirement income contract.

### Disability Loss Shows Increase

Figures Are Taken from the Companies' End of the Year  
Statements

### GIVE NEW YORK EXHIBIT

Statistics on Annuities Show That Gain  
Was Made on the 1932  
Operations

By R. B. MITCHELL

NEW YORK, April. 6.—Disability losses of New York admitted companies rose about one-seventh last year over 1931, figures from annual statements show. Losses from this source were \$63,136,538 in 1932 as against \$55,881,555 for 1931. The figures for the previous four years are: 1927, \$20,500,000; 1928, \$18,000,000; 1929, \$21,800,000; 1930, \$47,700,000. Disability payments exclusive of premiums waived totaled \$54,402,715 last year, while premiums waived amounted to \$11,540,303. Figures are shown in detail in the table on page 2.

### Double Indemnity Showed Profit

Double indemnity showed a profit in the aggregate, the total gain from this source being \$7,437,330 as against \$4,250,000 the year previous and \$5,483,000 in 1930. First year disability premiums showed a marked drop, almost entirely on account of the changes in provisions and rates effected by most companies, although the general decrease in new business written had its proportionate effect on disability.

The 1932 annual statements separate disability payments from premiums waived, a departure from the set-up of the earlier statement blanks, which grouped both these amounts in one entry. The size of the amounts waived for premiums is impressive, especially in view of the small amount of attention usually paid to this item.

### Figures on Annuities

The figures on annuities refute the prevalent but erroneous idea that annuities are written at a loss. Almost all companies showed a gain from investment on annuities in excess of their mortality loss on this class of business. A few companies even showed a gain on mortality.

Since the gain from investment on annuities is based on year-end reserves it is probably a little higher than it would be by the more mathematically accurate method of using the average of the reserves held during the year. Because of the stress on annuity sales during the last year it is presumable that the increase in the reserves considerably more than offset the usual decrease due to deaths and surrenders.

While the annual statement blank contains an item "mortality gain or loss

(CONTINUED ON PAGE 10)





## Business As Usual Companies' Policy

Research Bureau Continues Bulletin Series on Practices in Present Emergency

### CONTESTS NOT CANCELED

Presidents Give Views on Way to Meet Objections to Policy Loan, Surrender Moratoria

The wise course of continuing to sell life insurance as usual, of completing production plans now in process and evolving new plans, has been followed by the companies, according to a bulletin issued by the Life Insurance Sales Research Bureau of Hartford in a special series summarizing present practices arising from the current situation.

One company is holding its policyholders' months campaign as usual in March and April; another opened a ten week's spring campaign March 20; another a prospecting campaign throughout the field.

The companies, having no knowledge of when the restrictions are expected to be lifted, in a great majority of cases are assuming that the present situation may be normal for some time to come and are preparing and carrying out their plans accordingly.

#### Company President's Views

Companies naturally are somewhat at a loss as to what should be told policyholders and prospects. It has been felt the policy loan and surrender moratoria should not be the subject of special explanation effort as this might overemphasize it. On the other hand, it is realized that as time goes on the agents will be called on more and more to make explanations. The Research Bureau quotes the statement of a company president to general agents, emphasizing that the state's action was designed to protect the interests of all policyholders; that the slight inconveniences caused are trifling as compared with the loss which would result if the stability of the life insurance structure were to be disturbed.

The company president reports many general agents find their thinking policyholders heartily approve the procedure, and he believes every reasonable man will do so if he is given the true facts regarding it. Another thing that might profitably be gotten to policyholders is that companies are compelled to invest their funds as they come in, and that the field of investment open to companies is limited to specified classes of securities, those issued on a long term basis.

#### Liquidity Not Contemplated

Bonds of all classes are issued for terms running from 10 to 100 years, and to invest successfully in mortgage loans, terms of not less than five years must be granted. These investments, he pointed out, are not liquid, nor are they intended to be, as are investments made by banks.

Under conditions such as those during the past few years, it would be absolutely impossible, he says, to find a market in which conversion into cash might be made, and to force such conversion under these conditions could have but one effect, to wreck the interest of policyholders.

He says, "A policyholder can use his policies as collateral in the same way that he can use a bond or other asset. In other words, his reserve value is intact and its stability is assured because of the present regulations. He can use

## New Man at Helm



HARRY E. McCLAIN

The new Indiana insurance commissioner, Harry E. McClain of Shelbyville, Ind., who has been manager of the insurance department of the Farmers National Bank, has now taken his seat at Indianapolis succeeding Commissioner J. C. Kidd. Mr. Kidd served on the executive committee of the National Convention of Insurance Commissioners.

it in connection with borrowing if he finds that necessary."

He finally finds that control of the policy loan and surrender items makes the life insurance absolutely safe.

Another company goes so far in its (CONTINUED ON PAGE 20)

## Insurance Studies Farm Mortgage Refunding Plan

The Roosevelt measure providing for refinancing of farm mortgages through issuance of up to two billion dollars in bonds through the federal land banks, the interest to be guaranteed by the government, is being closely scrutinized by life insurance executives.

The first question that comes to mind in considering the effect of this measure on life insurance companies is whether there would have to be any general scaling down of the face of the mortgage if it were refinanced. The bill provides that the new bonds might be issued up to 50 percent of the fair value of the property, which might mean 70 or 80 percent of the face of the mortgage. Life companies are so consti-

tuted that they could not make such a sacrifice on a large scale. However, it might be, that the general run of life insurance farm mortgages are for a face amount of not more than 50 percent of the fair value of the property.

#### Sound Basis Desired

The desire of the President apparently is to have this refinancing conducted on a sound basis. The statements of life insurance executives, in commenting on their investments, have always been to the effect that their farm mortgages were on a conservative basis. Therefore it might be that the life companies could profit directly through the proposed refinancing plan of the government, without being required to scale down the principal of their mortgages.

Some life insurance executives feel that the proposed refinancing will have a beneficial effect indirectly rather than directly upon the life companies. That is, other agencies, such as federal land banks, joint stock land banks, mortgage companies and commercial banks might utilize the refinancing facilities and thus improve the tone of farm land prices.

When a farm in a community is be-

ing offered at \$75 an acre, the other farmers in the neighborhood then regard \$75 as the value of all the land. Thus, if these farms here and there that are on the market could be taken out of circulation, so to speak, through the operation of the refinancing, the depressive effect of farms being hawked at lower and lower prices would be removed. This process might seem somewhat vague, but some of the life insurance executives feel that the benefits that are to accrue to life companies will be of such indirect nature.

#### Scaling Down Impossible

A company, which had a considerable portion of its portfolio in farm mortgages, could not stand a scaling down of the face of those mortgages and continue to carry out its obligations to its policyholders. The suggestion is made that if the measure now before Congress prevails to permit the government to invest in preferred stock of insurance companies, that the life companies might then be able to scale down the face of farm mortgages to some extent. The difference could be made up by the amount of the preferred stock subscribed by the government.

Many executives are taking a side line position, feeling that President Roosevelt's program must be regarded as a whole; that he has definite objectives and that the pieces will fit themselves together intelligibly in the course of time and as the various measures are enacted or rejected.

Secretary Wallace of the department of agriculture recently estimated that the farm mortgage debt in this country is about \$8,500,000,000. In addition, American farmers have outstanding personal or short term debts of various kinds amounting to \$3,500,000,000. Mr. Wallace stated that the farm-mortgage debt rests upon about 40 percent of the farms and the debt now represents on the average about half the value of all the mortgaged farms. The debt is, however, unevenly distributed.

#### Division of Debt

The secretary stated that about 30 percent of the volume of outstanding farm mortgages is held by individuals, 23 percent by insurance companies, 19 percent by federal land banks and joint stock land banks, 11 percent by commercial banks, 10 percent by mortgage companies and 7 percent by other firms.

The annual interest charges on outstanding farm mortgages fell somewhat below \$500,000,000 in 1932. However, the drop in volume of interest charges has not corresponded with the drop in volume of debt.

The gross farm income from crops and live stock amounted to about five billion dollars in 1932. For the 12 months ended March 1, 1932, forced sales by reason of delinquent debt payments and taxes amounted to 41.7 per thousand farms as compared with 19.5 per thousand farms in 1929. Since March 1, 1932, the situation has grown very much worse.

Mr. Wallace remarked that insurance companies have been pressed by heavy demands for policy loans and many have become unable or disinclined to make new farm loans. At that time

(CONTINUED ON PAGE 21)

## Bleed—Rise—Fight!

I am not dead, Sir Andrew cried;  
I am hurt, but I am not slain.  
I'll lay me down and bleed awhile,  
And then I'll rise and fight again!

So sang the old Scotch balladeer. Well, this seems to be "bleed awhile" time for the folks in the Field. But every Sir Andrew of them soon will rise and fight again! And their big chance is coming in Financial Independence Week (April 17-22). By then their bleeding will have lessened, and they will have regained their old spirit, which made life insurance a business of preeminent financial magnitude! An aggressive national army, they will tell the people about the fundamental things that life insurance is so magnificently doing.

Moreover, with their confident air and words, seen and heard by millions, this militant army will restore life insurance confidence to that part of the public which is then doubting or even outright suspicious—and thus, also will strengthen the returning faith in the entire economic structure.

### THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

PHILADELPHIA

## Northwestern National Is Withholding Part of Dividend

TEMPORARY CUT IS 40-50%

President Arnold Explains Sum Is to Be Held in Reserve to Cover Contingencies

The Northwestern National Life of Minneapolis announces a new plan for distribution of dividends to policyholders, effective May 1, resulting in a temporary reduction from 40 to 50 percent, according to policy plan and age, the amount withheld going into reserve further to strengthen the financial position. It is anticipated, however that the amount of reduction will be returned later to persisting policyholders in connection with the regular persistency bonus.

"While there are many reasons for believing that general business conditions are steady," President O. J. Arnold states, "I am not unmindful that serious problems are yet to be solved and that the means employed to solve them may entail liquidation on a large scale. Legislation, state and national, has been proposed or suggested—and in some instances already enacted—granting moratoria in payment of interest and advocating an adjustment of principal and of interest rates.

### Sees Possibility of Loss

"These facts present a possibility of loss that cannot be ignored. Wisdom dictates that until the effect of the methods used to correct the present economic situation is definitely determined, a well managed company should follow a most conservative course and fortify its position in all possible directions in the interest of its policyholders.

"The Northwestern National has con-

sistently followed the practice of setting up adequate reserves in anticipation of possible future losses and of charging off all actual losses as soon as they are ascertained. I propose that it shall follow the same course now, and promptly and fully meet the situation in advance by a rather drastic dividend cut rather than curtail surplus distribution more moderately over a long period of years to absorb losses previously incurred. It is far easier to distribute to policyholders reserves previously set up for possible losses if such losses do not occur or are merely nominal than to liquidate losses, after they occur, from future surplus earnings."

### Arrangement Explained

For the coming dividend year, any policy which is entitled to and receives a persistency bonus (payable at death or maturity, at the end of the 20th policy year, or when the policy becomes paid up if prior to the 20th year) shall also receive, and as a part thereof, the balance of the dividend otherwise withheld from distribution. The net effect is to give such policyholder the full 100 percent dividend together with the full, regular persistency bonus to which his policy is now entitled.

This plan benefits persisting policyholders since it assures that policyholders who surrender or lapse shall not be relieved from paying their share of the loss to the detriment of policyholders who continue to pay premiums or new policyholders purchasing participating insurance in the future.

President Arnold said the company's liquidity has been further fortified by increasing cash and government bond holding to \$5,883,223.17 (approximately 12½ percent of assets) at close of business March 31.

The South Dakota attorney general holds that the **Black Hills Benevolent Society of Deadwood**, a mutual benefit assessment organization, must make reports to the insurance department as an insurance company.

## Coler Finds Tail Wagging the Dog in Life Insurance

DISCUSSES LOAN SITUATION

American Central Actuary Presents Underlying Reasons for State Restrictions on Withdrawals

Reasons underlying the action of insurance commissioners in restricting policy loans and surrenders were presented by W. P. Coler, actuary American Central Life, Indianapolis, before the Gyro Club of that city.

"These benefits which were placed in contracts as incidents to the primary purposes of death and old age protection have suddenly assumed an importance out of all proportion," he said. "In the three years, 1930, 1931, and 1932, a group of 48 companies paid death claims of \$1,925,000,000. In addition they paid matured endowments of \$231,000,000. These life insurance companies were called upon to pay surrender values to withdrawing policyholders of \$1,414,000,000 and to make loans to policyholders secured by their policies of \$2,049,000,000.

**Paid Out \$3,463,000,000**

"Thus the total cash disbursed to policyholders for surrender values and policy loans in three years by these 48 companies aggregated \$3,463,000,000 as against death claims and matured endowments totaling \$2,156,000,000. Certainly the tail was wagging the dog. The companies were able to stand the strain of these disbursements remarkably well. During this period their cash increased and their investments in government securities were very large. To the extent that the money thus withdrawn from life insurance companies went to pay the living expenses, it was doubtless of great

assistance. Much of this money withdrawn for speculative purposes was probably lost.

"We shall always have to conjecture as to the effect on the business of the country had this tremendous sum of nearly three and one-half billions been available for investment in securities instead of being disbursed for surrender values and policy loans. The moratorium on policy loans and cash values by life insurance companies may well mark a turning point in the history of our business depression.

"It has always been considered heretofore that the incidence of life insurance payments was subject to statistical forecast and that therefore the sums which of necessity accumulate in the reserve funds of level premium life insurance companies were available for long-time non-liquid investments.

"A large part of the development of this country is due to life insurance investment in farm loans, housing loans and the long-time bonds of our railroads and public utilities, as well as in the bonds of the states and municipalities issued for the purpose of building roads, court houses, water systems, schools and hospitals. There is no doubt today that many loans will be sought to modernize railroads, factories, and homes, once confidence is restored and the money of the country returns to its normal investment channels.

"It has been very satisfactory to see the complacency of the public with the moratoria on life insurance cash values and loans. This move was made while the companies were in excellent condition. The cessation of these payments will pile up funds in the company treasuries. As the companies are enabled to invest in long-term investments at the present low prices, the quotations will advance, more banks will be made solvent, more individuals find their properties to be assets rather than liabilities, and confidence and prosperity will be restored."

# TO-DAY Income Is The Thing

**W**HEN CAPITAL ASSETS are sorely depreciated, or frozen, or both, it is income, earned by individual effort, that keeps the family ship a-going. It has taken times like these to prove that, after all, a man's most valuable asset is his personal earning power.

This priceless asset is subject to definite hazards that threaten the physical and mental welfare of its possessor—hazards that may wipe out the asset, and substitute, instead, a liability in the form of mounting expenses.

The Massachusetts Indemnity Insurance Company, chartered in 1904, has introduced a special new insurance contract to protect this priceless asset—a non-cancellable income policy that pays for life and is renewable for life. It covers loss of income resulting from accident or illness and also contains other valuable and appealing features. It is a contract that you can sell to your life insurance clients—one that they need now, more than ever, and one that they will want once they are told about it.

In the life policies that you have sold them you have insured the future of their families if they should suffer physical death, and with our new contract you can assure their own future, as well as that of their families, should they suffer financial death through disability.

And remember, this attractive new policy is issued by a company that has successfully insured incomes for more than a quarter of a century.

**PAYS FOR LIFE AND IS RENEWABLE FOR LIFE!**

*Agency Openings in New York, New Jersey, New England and Pennsylvania. Inquiries desired.*

**MASSACHUSETTS INDEMNITY  
INSURANCE COMPANY**  
632 Beacon Street - - - Boston, Mass.



# Companies' Ranking Shown

**Insurance in Force Now \$108,290,757,814 — Decreases 5 percent—Metropolitan Heads 16 Billion Dollar Companies—Prudential and New York Life Next**

Life insurance in force totaled \$108,290,757,814 on Jan. 1, 1933, according to an actual adding machine total of legal reserve life company reports compiled by the Unique Manual-Digest, which will soon be off the press. This is a decrease of \$5,954,775,112 from the 1932 total of \$114,245,532,926, or 5.2 percent. Of the grand total \$81,502,444,614 is ordinary, \$9,624,161,528 group and \$17,164,151,672 industrial. These figures represent the business of 292 companies compared to 310 companies operating the year before, when \$85,563,520,124 ordinary, \$10,523,347,481 group and \$18,158,665,321 industrial was in force.

There were 16 companies in the billion dollar insurance in force class on Jan. 1, compared with 19 the year before. The first 16 companies had a total of \$80,927,288,370 in force, or 75 percent of the grand total for 1932 legal reserve companies.

There is no change in relative standing of the billion dollar companies. The Metropolitan again leads the field with \$18,980,743,208 in force, a decrease of less than \$500,000,000 from last year. The Prudential was second with \$13,305,052,990, followed by the New York Life, Equitable Life of New York and the Travelers.

The 292 companies are ranked by their insurance in force and for the first 100 comparisons are made with their standing for the previous year:

Rank 1933	Rank 1932	Insurance in Force
1	1	Metropolitan \$18,980,743,208
2	2	Prudential 13,305,052,990
3	3	New York Life 12,728,667,775
4	4	Equitable Life of N. Y. 12,728,667,775
5	5	Travelers 12,728,667,775
6	6	Mutual, N. Y. 12,728,667,775
7	7	Northwestern Mutual 12,728,667,775
8	8	Aetna 12,728,667,775
9	9	John Hancock 12,728,667,775
10	10	Sun 12,728,667,775
11	11	Mutual Benefit 12,728,667,775
12	12	Massachusetts Mut. 12,728,667,775
13	13	Penn Mutual 12,728,667,775
14	14	Union Central 12,728,667,775
15	15	New England Mut. 12,728,667,775
16	16	Connecticut Genl. 12,728,667,775
17	17	Provident Mutual 12,728,667,775
18	18	Missouri State 12,728,667,775
19	19	Connecticut Mutual 12,728,667,775
20	20	Canada Life 12,728,667,775
21	21	Bankers, Ia. 12,728,667,775
22	22	Lincoln National 12,728,667,775
23	23	Pacific Mutual 12,728,667,775
24	24	Western & Southern 12,728,667,775
25	25	State Mutual 12,728,667,775
26	26	Phoenix Mutual 12,728,667,775
27	27	Equitable, Ia. 12,728,667,775
28	28	Great West, Can. 12,728,667,775
29	29	National, Vt. 12,728,667,775
30	30	Manufacturers 12,728,667,775
31	31	Guardian 12,728,667,775
32	32	Amer. Natl., Tex. 12,728,667,775
33	33	Reliance 12,728,667,775
34	34	Fidelity Mutual 12,728,667,775
35	35	Kansas City 12,728,667,775
36	36	Home, N. Y. 12,728,667,775
37	37	Life Ins. Co. of Va. 12,728,667,775
38	38	Northwestern Natl. 12,728,667,775
39	39	Acacia Mutual 12,728,667,775
40	40	Jefferson Standard 12,728,667,775
41	41	National L. & A. 12,728,667,775
42	42	Southwestern, Tex. 12,728,667,775
43	43	Great Southern 12,728,667,775
44	44	State Life, Ind. 12,728,667,775

Rank 1933	Rank 1932	Insurance in Force
45	45	Cal.-Western States 12,728,667,775
46	46	National, U. S. A. 12,728,667,775
47	47	Berkshire 12,728,667,775
48	48	Minnesota Mutual 12,728,667,775
49	49	Franklin 12,728,667,775
50	50	American Central 12,728,667,775
51	51	Peoria 12,728,667,775
52	52	North Amer., Can. 12,728,667,775
53	53	Columbian Natl. 12,728,667,775
54	54	Central, Iowa 12,728,667,775
55	55	North Amer. Reas. 12,728,667,775
56	56	Pan-American 12,728,667,775
57	57	Mutual Trust 12,728,667,775
58	58	Occidental, Cal. 12,728,667,775
59	59	Continental, Ill. 12,728,667,775
60	60	Mutual Life, Md. 12,728,667,775
61	61	Royal Union 12,728,667,775
62	62	Atlantic 12,728,667,775
63	63	Life & Cas., Tenn. 12,728,667,775
64	64	Crown 12,728,667,775
65	65	Guarantee Mutual 12,728,667,775
66	66	Bankers, Neb. 12,728,667,775
67	67	Columbus Mutual 12,728,667,775
68	68	Southeast 12,728,667,775
69	69	Shenandoah 12,728,667,775
70	70	Yeomen Mutual 12,728,667,775
71	71	Volunteer State 12,728,667,775
72	72	West Coast 12,728,667,775
73	73	Bankers Reserve 12,728,667,775
74	74	Colonial, N. J. 12,728,667,775
75	75	Commonwealth 12,728,667,775
76	76	Federal Life, Ill. 12,728,667,775
77	77	Midland Mutual 12,728,667,775
78	78	United Mutual 12,728,667,775
79	79	Continental Amer. 12,728,667,775
80	80	Central States 12,728,667,775
81	81	Security Mutual 12,728,667,775
82	82	Continental, Mo. 12,728,667,775
83	83	Home, Pa. 12,728,667,775
84	84	Sun, Md. 12,728,667,775
85	85	Indianapolis 12,728,667,775
86	86	Ohio National 12,728,667,775
87	87	Pilot 12,728,667,775
88	88	Business Men's, Mo. 12,728,667,775
89	89	Northern, Wash. 12,728,667,775
90	90	Central, Ill. 12,728,667,775
91	91	Kentucky Home 12,728,667,775
92	92	Massachusetts Sav. 12,728,667,775
93	93	Old Line, Wis. 12,728,667,775
94	94	Manhattan Life 12,728,667,775
95	95	American, Mich. 12,728,667,775
96	96	Baltimore Life 12,728,667,775
97	97	Ohio State 12,728,667,775
98	98	Illinois Bankers 12,728,667,775
99	99	Abraham Lincoln 12,728,667,775
100	100	North Amer., Ill. 12,728,667,775
101	101	Union Mutual 12,728,667,775
102	102	Union Co-operative 12,728,667,775
103	103	Amicable 12,728,667,775
104	104	Philadelphia Life 12,728,667,775
105	105	Boston Mutual 12,728,667,775
106	106	National, Iowa 12,728,667,775
107	107	Capital 12,728,667,775
108	108	Reserve Loan 12,728,667,775
109	109	Lamar Life 12,728,667,775
110	110	Detroit Life 12,728,667,775
111	111	Equitable, D. C. 12,728,667,775
112	112	Presbyterian Min. 12,728,667,775
113	113	Bankers National 12,728,667,775

Rank 1933	Rank 1932	Insurance in Force
114	114	Protective, Ala. 12,728,667,775
115	115	United Benefit 12,728,667,775
116	116	Texas Prudential 12,728,667,775
117	117	Beneficial 12,728,667,775
118	118	Eureka-Md. 12,728,667,775
119	119	Farmers & Bankers 12,728,667,775
120	120	Peoples Life, D. C. 12,728,667,775
121	121	Provident L. & A. 12,728,667,775
122	122	Oregon Mutual 12,728,667,775
123	123	Union Labor 12,728,667,775
124	124	Federal Reserve 12,728,667,775
125	125	Postal Life 12,728,667,775
126	126	Knights Life 12,728,667,775
127	127	Peoples Life, Ind. 12,728,667,775
128	128	Country Life 12,728,667,775
129	129	United L. & A. 12,728,667,775
130	130	Teachers Ins. & An. 12,728,667,775
131	131	Pacific States 12,728,667,775
132	132	National Guardian 12,728,667,775
133	133	Montana Life 12,728,667,775
134	134	New World 12,728,667,775
135	135	Guaranty, Iowa 12,728,667,775
136	136	Southeastern, S. C. 12,728,667,775
137	137	Scranton 12,728,667,775
138	138	Wisconsin National 12,728,667,775
139	139	Interstate L. & A. 12,728,667,775
140	140	Continental, D. C. 12,728,667,775
141	141	Midland Life 12,728,667,775
142	142	Life & Casualty, Ill. 12,728,667,775
143	143	American Bankers 12,728,667,775
144	144	Gulf States Secur. 12,728,667,775
145	145	Gulf, Fla. 12,728,667,775
146	146	Federal Union 12,728,667,775
147	147	Farmers & Traders 12,728,667,775
148	148	Girard 12,728,667,775
149	149	National Fidelity 12,728,667,775
150	150	Columbian Mutual 12,728,667,775
151	151	Conservative, W. Va. 12,728,667,775
152	152	Great Northern 12,728,667,775
153	153	Durham 12,728,667,775
154	154	Michigan Life 12,728,667,775
155	155	Columbia Life 12,728,667,775
156	156	Liberty Natl., Ala. 12,728,667,775
157	157	North Carolina Mut. 12,728,667,775
158	158	Bank Savings 12,728,667,775
159	159	Mid-Continent 12,728,667,775
160	160	Occidental, N. C. 12,728,667,775
161	161	Register Life 12,728,667,775
162	162	Great Republic 12,728,667,775
163	163	Washington Natl. 12,728,667,775
164	164	Colorado Life 12,728,667,775
165	165	United Fidelity 12,728,667,775
166	166	U. S. Life, N. Y. 12,728,667,775
167	167	Globe, Ill. 12,728,667,775
168	168	Security Mut. 12,728,667,775
169	169	Atlas Life 12,728,667,775
170	170	La Fayette Life 12,728,667,775
171	171	Mass. Protective 12,728,667,775
172	172	Amer. Ins. Union 12,728,667,775
173	173	Fidelity Union 12,728,667,775
174	174	Wisconsin Life 12,728,667,775
175	175	Midland National 12,728,667,775
176	176	Texas Life 12,728,667,775
177	177	Conservative, Ind. 12,728,667,775
178	178	Victory, Kans. 12,728,667,775
179	179	Lincoln Liberty 12,728,667,775
180	180	Union Natl., W. Va. 12,728,667,775
181	181	Security Life & T. 12,728,667,775
182	182	George Washington 12,728,667,775
183	183	Liberty Life, S. C. 12,728,667,775
184	184	Union Mut. Iowa 12,728,667,775
185	185	Standard, Pa. 12,728,667,775
186	186	Buffalo Mutual 12,728,667,775
187	187	Carolina 12,728,667,775
188	188	Midwest 12,728,667,775
189	189	Morris Plan 12,728,667,775
190	190	Cedar Rapids 12,728,667,775
191	191	Rockford 12,728,667,775
192	192	Liberty Life, Kan. 12,728,667,775
193	193	Brooklyn Natl. 12,728,667,775
194	194	Kansas Life 12,728,667,775
195	195	Independent 12,728,667,775
196	196	All States Life 12,728,667,775
197	197	Maryland Life 12,728,667,775

Rank 1933	Rank 1932	Insurance in Force
198	198	Home Friendly 12,728,667,775
199	199	American Life, Col. 12,728,667,775
200	200	Prov. Life, N. D. 12,728,667,775
201	201	Great Western, Ia. 12,728,667,775
202	202	Seaboard Life 12,728,667,775
203	203	National Reserve 12,728,667,775
204	204	American Reserve 12,728,667,775
205	205	Monarch Life 12,728,667,775
206	206	Amer. L. & A., Ky. 12,728,667,775
207	207	Southern L. & H. 12,728,667,775
208	208	Home State 12,728,667,775
209	209	Service Life, Neb. 12,728,667,775
210	210	Bankers H. & Life 12,728,667,775
211	211	Imperial, N. C. 12,728,667,775
212	212	Republic, Texas 12,728,667,775
213	213	Ky. Centl. L. & A. 12,728,667,775
214	214	State Farm 12,728,667,775
215	215	Amer. Savings, Mo. 12,728,667,775
216	216	Agricultural Life 12,728,667,775
217	217	Modern Life 12,728,667,775
218	218	Northwestern, Neb. 12,728,667,775
219	219	St. Louis Mut. 12,728,667,775
220	220	Farmers Un. Mut. 12,728,667,775
221	221	Sentinel 12,728,667,775
222	222	Great Amer. Tex. 12,728,667,775
223	223	Cosmopolitan, Tenn 12,728,667,775
224	224	Amer. Life, Fla. 12,728,667,775
225	225	Eastern Life 12,728,667,775
226	226	Old Republic 12,728,667,775
227	227	American Home 12,728,667,775
228	228	Puritan 12,728,667,775
229	229	United, Kans. 12,728,667,775
230	230	State Reserve 12,728,667,775
231	231	Union Pacific 12,728,667,775
232	232	National Equity 12,728,667,775
233	233	Pacific National 12,728,667,775
234	234	Empire L. & A. 12,728,667,775
235	235	Great Amer. Kan. 12,728,667,775
236	236	Hawkeye 12,728,667,775
237	237	Policyholders' Natl. 12,728,667,775
238	238	Great National 12,728,667,775
239	239	Southern Old Line 12,728,667,775
240	240	Guaranty Income 12,728,667,775
241	241	Amer. Medical 12,728,667,775
242	242	Natl. Old Line, Ark. 12,728,667,775
243	243	Harvester 12,728,667,775
244	244	State Life, Ill. 12,728,667,775
245	245	Virginia L. & C. 12,728,667,775
246	246	Standard, Miss. 12,728,667,775
247	247	Western Reserve 12,728,667,775
248	248	Reliable L. & A. 12,728,667,775
249	249	Guaranteed Secur. 12,728,667,775
250	250	Acme 12,728,667,775
251	251	Amer. Sav. Ind. 12,

## A COMPLETE LINE

The Missouri State Life provides the field man with a complete line of policy forms offering a wide range of non-participating and participating contracts, designed to meet the varying needs of individual prospects. Life—Accident & Health—Group—Salary Savings.

Liberal Agency contracts, prompt underwriting service, helpful field cooperation.



# MISSOURI STATE LIFE INSURANCE COMPANY

St. Louis, Missouri

Life—Accident and Health—Group and Salary Savings

### Trend Toward Annuities Is Debated by Actuaries' Club

#### HAZARDOUS POSSIBILITIES

Anti-selection Noted on Retirement Income and Deferred Forms Where Later Choice Is Given

The improving life mortality, the striking tendency in the last ten years to increase the annuity functions in relation to life insurance, and the very evident trend toward low investment yield, have concentrated attention on annuity forms. Life companies have received a great amount of this business in the last four years. The volume had grown so large even two years ago that companies discontinued the single premium life insurance with income form that investors considered one of the best buys on the market.

It is problematical what would be the outcome on deferred annuity and retirement income contracts accumulated on an annual income basis with the contract provision that a policyholder may take a 4 percent guaranteed contract 30 or 40 years hence to run for many years after that time, it was said by one of the members of the Chicago Actuarial Club in its March meeting. This is entirely different from selling a 4 percent single premium annuity in the present.

#### Use Obsolete Tables

It also appears the companies are not charging adequate rates for annuities and that the future liability to make income payments for many years to come might make this class of business similar to disability income, on which the companies not long ago retrenched drastically. The annuity rates are necessarily based on obsolete tables. It is, of course, well known that the American experience table shows excessive mortality as compared with the actual of the present day. It also has been shown that mortality of annuitants is much better than that of other risks.

Under the annual premium forms, such as a retirement life plan and deferred annuities, which give the option of taking either the cash at retirement or an annuity, the actuaries see a considerable anti-selection. Persons who reach retirement age and feel they will not live long, of course will take the cash; those who feel they have many years of life before them will take the annuity.

There was some discussion of the possibility of making the annuity provision automatic in order to safeguard against this selection process.

#### One Redeeming Feature

There is one pleasing prospect in viewing annuities, however, the actuaries find. If the trend toward a larger proportion of annuities in relation to life insurance continues, they believe in time the reserves on annuities will also be large in proportion to those on life policies. The annuity reserves are not demand reserves. Therefore, there is prospect that in 10, 20, perhaps 30 years, the proportion of annuity reserves will have increased to the point where com-

### Industrial Companies Are Reporting Collections Good

#### PROSPERING IN DEPRESSION

Even in Detroit Weekly Premium Money Is Found Plentiful—Experience Good

While ordinary life companies undoubtedly are experiencing a substantial slump in new business production and collections both on new and renewal premiums, due to the effects of the bank moratorium followed by restricted bank operations, and also to policy loan and surrender moratoria, the industrial life companies, in the words of a veteran manager, are "sitting on top of the world."

It is well known that industrial life mortality has been excellent, although ordinary mortality is up. Industrial collections also have set records throughout the period of cramped financial arrangements. Collections on the weekly premium business, it is said, have been "wonderful." It is an odd contradiction of the times.

#### Experience in Detroit

In Detroit, throughout the long period of bank difficulties the weekly premium offices are reported to have had excellent collections. One office reports after many weeks of general financial stringency, in which the backbone of the city, the motor industry, has been nearly paralyzed, that collections are running over 80 percent. This is considered a very good figure for normal times.

Probably the chief reason for this unusual record is that many workmen withdrew their funds from banks and kept them in their homes. Thus the money was available to pay the weekly premium agent. Workmen with jobs realized they might be out of work before long and were anxious to maintain their life insurance. Those out of work but who had saved a little money felt the pinch of hard times and realized even more keenly what their families might have to suffer if there were no provision made.

panies will have much less to fear in time of national emergency when there is a great demand for cash, such as has recently been experienced. It was said that this is a very significant trend in life insurance.

### May Ask Thompson's Resignation

ST. LOUIS, April 6.—J. B. Thompson, Missouri superintendent of insurance, probably will be asked to resign prior to the end of his term June 30. He is a Republican and under the provisions of a bill just passed by the Missouri general assembly the governor is given full power to remove any appointive officer "whenever in his opinion such removal is for the betterment of the public service." Robert E. O'Malley of Kansas City will be appointed as superintendent whenever Governor Park decides to make the change.

## Demand Gold Inflation

A financial executive who is a student of money, business trends, and economics, contributes some views to THE NATIONAL UNDERWRITER on gold inflation. He says:

"Insurance companies and all creditors should join in a demand for immediate gold inflation. Half measures mean successive bankruptcy of creditors with real help to none. Gold inflation would automatically scale all debts to the capacity of debtors to pay.

"The government may be holding gold inflation for bargaining with Euro-

pean countries, but home needs are greater. Gold inflation amounts to reduction of war debts. If it is intended, let it be given without further bargaining.

"Business cannot recover while there is uncertainty. Prices cannot rise and financial institutions cannot cure their troubles while the country is doubtful about what is going to happen. Gold inflation is an immediate cure, and furthermore, it has no aftermath of uncertainty, which paralyzes all remedies. Gold inflation should come at once."



## Preferred Stock Purchase Bill Is Expected to Pass

### FLETCHER MEASURE FAVORED

#### R. F. C. Would Be Permitted to Aid Insurance Companies of All Kinds in New Fashion

WASHINGTON, April 6.—Relief of insurance companies "in need of funds for capital purposes, either in connection with the organization of such company or otherwise," through purchase by the Reconstruction Finance Corporation of preferred stock, bonds or debentures of such companies, is provided for in a bill introduced in Congress by Senator Fletcher of Florida, chairman of the senate committee on banking and currency.

The bill was made the subject of a favorable report by the committee, and will be immediately pressed for passage, with the possibility that it may go to the President for approval by April 10.

The relief machinery set up under the bill is to continue in operation during the continuance of the existing emergency or until the measure is declared inoperative by a proclamation of the President.

#### Provisions of Measure

"Notwithstanding any other provision of any other law," if, in the opinion of the Secretary of the Treasury, any insurance company is in need of capital funds, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock of any class, exempt from assessment or additional liability, in such insurance company, or to make loans secured by such stock as collateral.

In the case of insurance companies which may be incorporated in states which do not permit the issuance of preferred stock exempt from assessment or additional liability, or with laws which permit the issuance of such stock only by unanimous consent of stock holders, or upon notice of more than 20 days, the Reconstruction Finance Corporation may accept the legally issued notes, bonds or debentures of such company, which may be subordinated in whole or in part to any degree to claims of other creditors.

#### All Companies Included

The term "insurance company" is defined in the bill as including "any corporation engaged in the business of insurance, irrespective of the nature thereof, and operating under the supervision of a state superintendent or department of insurance in any of the states of the United States."

In giving its approval to the measure, the committee wrote into the bill amendments limiting the amount available for the insurance relief to \$100,000,000 and prohibiting the corporation from purchasing the preferred stock of any companies having officials receiving more than \$17,500 annually.

The action of the committee was taken following an executive session during which Jesse Jones, director of the Reconstruction Finance Corporation, explained that insurance companies are suffering large losses through shrinkage of reserves and aid must be provided to improve their capital position.

#### Residence Established in Unrestricted States

Whether any assureds have actually taken the step, at least some of them with residences in states operating under a life insurance moratorium, have contemplated setting up legal residence

in unrestricted states—Reno fashion—so that they can draw down their cash values or get policy loans.

This could be done only by policyholders of companies domiciled in those states which permit their companies to follow either the restrictions or the laws of other states so far as cash surrenders and policy loan payments are concerned. Among the states permitting that procedure are New York and Connecticut. That is, New York and Connecticut companies, in states where there are no restrictions, may make policy loans and pay cash surrender values to the limit.

## Mortgage Moratorium Law Is Called Unconstitutional

LINCOLN, NEB., April 6.—Judge Proudft, sitting in the district court at Hebron, has upheld objections filed by attorneys to a two-year stay of mortgage foreclosures, and held the moratorium law permitting such action, recently passed by the legislature, unconstitutional and violative of the federal and state constitutions because it impairs the obligation of contracts. The decision is not binding on other district

courts, where other objections to the operation of the law have been filed. An appeal will be perfected at once to secure a speedy decision by the supreme court.

#### KILL ALABAMA BILL

MONTGOMERY, ALA., April 6.—The deficiency judgment bill which would have affected the life companies' real estate mortgage holdings in Alabama, appears to be definitely killed in the Alabama senate after passing the house.

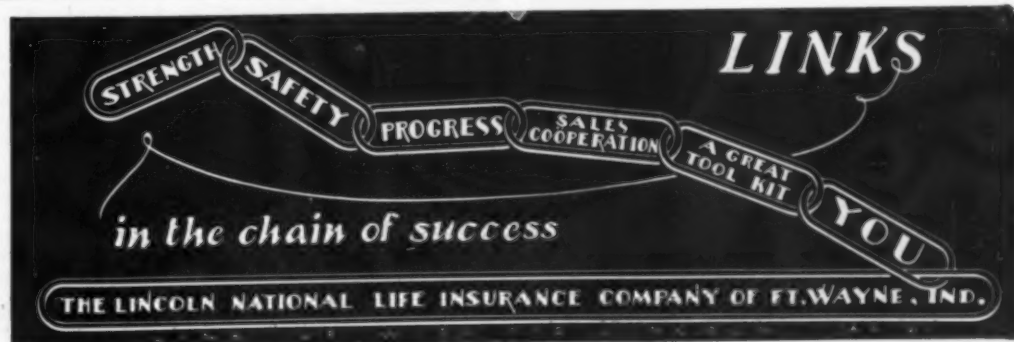


## ORGANIZED SELLING METHODS

make it possible for men all doing the same thing day after day to "pool" their experience for each others benefit.

## THE MINNESOTA MUTUAL LIFE INSURANCE CO.

Saint Paul, Minnesota





## NEW ENGLAND MUTUAL

PERFORMANCE ATTRACTS  
*Annuity*

WRITE FOR ANNUITY FOLDER



**NEW ENGLAND MUTUAL  
LIFE INSURANCE COMPANY**

*Boston, Massachusetts*

GEORGE WILLARD SMITH, *President*

AGENCIES IN 60 IMPORTANT CITIES

### SOMETHING ABSOLUTELY NEW

**A THRIFT Certificate with Payments Insured  
in the event of Death of Certificate Holder**  
12 Years Matures \$1,000.00 Contract at \$4.75 per Month

Loan, Cash and Paid Up Values After One Year  
Valuable General Agencies Available in Illinois

**INVESTORS FINANCE & THRIFT CORPORATION**

Affiliated with  
**UNITED INSURANCE COMPANY**  
2721 So. Michigan Ave., Chicago, Illinois

### Shenandoah Life Interests Seek to Get Control Back

#### BID IN CONTRACT FOR STOCK

**Claim Default by Insurance Equities  
Corporation, Which Contends  
Sale Is Illegal**

NEW YORK, April 6.—Contending that the Insurance Equities Corporation, holding company of the Julius Barnes-Frank Cohen interests, has defaulted in its contract to purchase control of the Shenandoah Life, the Shenandoah Holding Corporation, representing the present management of the company, put up the equity in the contract at auction. The contract involved the purchase of 20,000 shares of stock. The Shenandoah Corporation, the sole bidder, bid the block in at \$134,000. If the sale is held valid it would mean passing of the control from Insurance Equities to the holding corporation.

#### Insurance Equities Statement

Counsel for Insurance Equities insists that there has been no default, pointing out that the alleged default was based on non-payment of \$10,000 of interest and that this sum was more than covered by dividends received by the Shenandoah Corporation and applicable to the reduction of the debt, and that there are a number of other reasons why no default exists. Insurance Equities, its counsel stated, stands ready at any time to substantiate these claims and has served notice on the Shenandoah Corporation that it considers the sale invalid.

The Shenandoah Corporation was represented at the auction by President R. H. Angell, of the Shenandoah Life, E. Lee Trinkle, executive vice-president, and J. P. Saul, Jr., vice-president and general counsel. Both the former are vice-presidents of the holding corporation and the latter is secretary-treasurer.

### Aetna Life Is Announcing Assistant Superintendent

Vice-president S. T. Whatley of the Aetna Life announces the appointment of R. B. Coolidge, Cleveland, as assistant superintendent of agencies at the home office. Mr. Coolidge has been associated with the Aetna Life for 14 years. After three years as a salesman with the Cleveland agency, he was appointed home office group representative at Cleveland. He continued in that capacity for four years.

Early in 1926 he decided to turn his attention again to personal production, and after some months of combining sales and supervisory work at Cleveland he was made assistant general agent at the Chapman & Chapman agency there. In 1931 he became active again in the personal production end.

He has specialized on the presentation phase and has addressed a number of regional conferences and agency meetings on that subject.

### Salary Cuts Up in the Five Big Companies in N. Y. Area

NEW YORK, April 6.—Executives' salary reductions have been effected or are being considered by the five big companies in the New York district. Small salaries will not be affected, however.

Effective April 1 the Metropolitan put into effect a readjusted scale with reductions ranging from 25 percent on the highest salaries to 5 percent on those of \$3,000 or more. Below this point no cut has yet been made.

As of the same date the Prudential put into force a new salary scale with reductions on all salaries above \$1,800.

The percentage cuts are graded, ranging up to 20 percent on the highest salaries.

The New York Life's directors will on April 12 vote on a reduction ranging from 15 percent for the larger salaries to 5 percent on the lesser incomes, with no cuts on salaries below \$2,000. If adopted they would become effective May 1. Reductions in the executive personnel have reduced the aggregate payroll by about 20 percent during the last year.

The Equitable Life's directors authorized a reduction of about 15 percent in salaries over \$5,000 early in February. Later an executive order was issued effective March 1 extending the reduction to salaries between \$1,200 and \$5,000, with percentage reductions ranging up to 10 percent.

The Mutual Life of New York has put into effect a flat cut of 10 percent on all salaries down to \$1,500 a year. Since 1929 only one officer has received an increase in salary. Even employees being advanced in position during the last two years have not received increases.

### Industrial Offices Claim Advantage in Moratorium

The ordinary departments of industrial companies find they have a special selling argument, in view of the moratorium and some of these departments are using the argument to its fullest advantage. Some of the ordinary salesmen of industrial companies, however, are deliberately not taking advantage of this claimed preferred position.

The advantage that is claimed for industrial companies is that the percentage of their assets that constitutes a cash demand liability is far less than in the case of exclusively ordinary companies. That is true because in most states there is no cash value on an industrial policy until the 10th year. Some of the industrial companies have made exceptions during the depression, releasing values at an earlier date to carry insurance in case of distress, but they have not released such values for cash withdrawal.

### Create Separate Department of Insurance in Nebraska

Governor Bryan signed the bill establishing a separate insurance department in Nebraska. Lee Herdman will continue as commissioner, with the official title of director of insurance, his formal appointment being expected shortly. The bill also carries a reduction in salary from \$4,000 a year to \$3,200, the same percentage of cut that is proposed for state and county officers in bills before the legislature.

A bill for separation of the insurance department in Illinois, prepared by Superintendent Palmer, has been introduced in the legislature of that state. Two states have taken steps in the opposite direction this year, bills for the merging of insurance with other departments having been passed in Indiana and Colorado.

### Iowa Group Law Revised

Governor Herring has signed a bill which recodifies the entire group insurance law of Iowa. Several new classifications are added, among them teachers' associations, labor unions and clergymen, including priests.

### John H. Byrley Dies

John H. Byrley of Atlanta, Ga., general agent of the Minnesota Mutual Life, died last week at his home. He was vice-president of the Fidelity Mutual Life until 12 years ago when he went to Atlanta to represent the company. He was manager of the Fidelity Mutual at Cincinnati some 30 years ago and was called from there to become vice-president at the home office.



## Completely Rewrite Illinois Life Reinsurance Contract

A completely rewritten contract for reinsurance of the Illinois Life by the James S. Kemper interests will be presented to Federal Judge Wilkerson in Chicago at a hearing to start at 2 p. m., Monday.

Receiver Abel Davis was not satisfied with the contract tendered him by the Kemper interests, and with his attorneys has put in a great deal of time in the last week drafting an agreement characterized as setting up machinery "entirely different."

It is said that the operations under the new agreement would be carried out better, more easily and, it is believed, more economically.

The interests appeared before Judge Wilkerson Wednesday to discuss the matter of presenting the agreement formally to the court, at which time the date for hearing was set. It was assured that the agreement, completed or incomplete, as the case may be, will be presented in court Monday.

### Gist of Receiver's Stand

It is understood the receiver's chief objection to the Kemper proposal is on the item of taking over Illinois Life assets, segregating them and carrying out contract obligations such as death claims, double indemnity, etc., in full over a 15-year period, with provision for a revision at that time if necessary, depending on how the assets work out.

The receiver wants Mr. Kemper to take over the assets without segregation in his proposed new company, the assets to be revalued from time to time. This proposal does not strike the Kemper interests well, as their desire is not to dilute the new assets. It is believed the differences of opinion will be worked out by Monday. Many conferences have been held in the last week.

## Municipal Investment Bill Opposed by Life Executives

WASHINGTON, April 6.—Expressing fears that enactment would have a detrimental effect in the field of municipal investment securities, representatives of large insurance companies last week protested to the House judiciary committee against the Wilcox bill permitting financially embarrassed cities to enter into agreements with their creditors for adjustment of their obligations.

The measure proposes to aid cities and political subdivisions in solving their financial difficulties along the lines set out in the new bankruptcy law approved last session, providing for adjustment of debts between private businesses and their creditors through voluntary agreements.

### Taylor Gives Warning

Warning against the effects of the bill on the municipal securities markets, C. G. Taylor, Jr., third vice-president Metropolitan Life, said that it might also work a hardship on the ability of the municipalities to borrow in the future.

While the whole idea of the legislation is distasteful, said Bruce E. Shepard, representing the Association of Life Insurance Presidents, the principle of the Wilcox bill is preferable to a general moratorium plan.

## Takes Over Missouri Handbook

ST. LOUIS, April 6.—An arrangement has been perfected whereby the Missouri Handbook will in the future be published by THE NATIONAL UNDERWRITER. Until now it has been issued each year by Tarleton Brown, president of the "Western Insurance Review" of St. Louis. THE NATIONAL UNDERWRITER publishes handbooks in 25 states including all of the states surrounding Missouri except Kentucky. With its well organized handbook department and its unusual familiarity with this form of publishing, it was a logical step for THE NATIONAL UNDERWRITER to take

in acquiring the Missouri book. The 1933 edition, the first to be published under the auspices of THE NATIONAL UNDERWRITER, will be issued about Oct. 15 of this year.

## Salisbury Made Field Manager

The Bankers National Life has appointed C. R. Salisbury as field manager for the eastern territory. He made his start in 1922 with the L. A. Cerf Agency, general agents for the Mutual Benefit in New York City. In 1927 he joined the F. T. Wells Agency of the National Life of Vermont, as field supervisor in the metropolitan district, serving until January 1933.

## Two Meetings in Chicago

The general agents and managers division of the Chicago Association of Life Underwriters will hold a business meeting in the Hotel La Salle at noon April 7, to discuss plans for Financial Independence Week. The Chicago Chapter of C. L. U. will meet at noon April 11, in the Midland Club. Walt Tower, managing director Chicago association, will discuss present practices and a round table will follow. The meeting will be solely for C. L. U's.

## Monthly Premium Basis Answers Objections Today

Some agents have been successful during the moratorium period in selling monthly premium insurance. This approach permits the agent to avoid many arguments that rise over the life insurance situation. If the prospect offers the objection that he doesn't want to make an investment because of the current life insurance situation, with its uncertainties, these agents suggest that he go on a monthly basis, practically paying for the protection as it is earned. A good response has been registered.

## May Exchange Securities

DES MOINES, April 6.—Insurance companies are given the right, under a measure passed by the senate, to substitute or exchange securities deposited with the insurance department for others of equal value. It must appear, however, that the position of the company will be strengthened by the exchange and be to its advantage. The exchange must be approved by the insurance commissioner. Values placed on the securities substituted must be determined by

the commissioner upon a value not relatively higher than those of the securities on file.

A 5 percent raise, from 30 to 35 percent, in the amount of real estate and real estate securities which may be deposited with the department was approved by the senate in a bill which now goes to the governor for signature.

## R. J. McGehean Resigns

DALLAS, TEX., April 6.—R. J. McGehean, who has been southwestern manager of THE NATIONAL UNDERWRITER for the past several years with headquarters at Dallas, has resigned.

## A. L. C. Leaders Hold Session

The officers and executive committee of the American Life Convention held a meeting in Chicago Thursday, just prior to the commissioners' meeting, which was also attended by several past presidents and other leaders in the organization.

## Insurance Group to Meet

The annual insurance conference of the American Management Association will be held in the Hotel Pennsylvania, New York City, May 15-16.



# Great Salesmen of History



ABRAHAM LINCOLN

IT has been written: "When God wants to educate a man He does not send him to school to the Graces but to the Necessities. Through the pit and the dungeon Joseph came to a throne."

Born in obscurity, brought up in poverty, Abraham Lincoln became one of the world's greatest heroes.

As an awkward, ungainly boy, sprawled before the fireplace, poring over borrowed books, he said: "I will study and get ready. Then maybe my chance will come."

Forty years later, the Great Emancipator was President of the United States.

The life of Lincoln is most inspiring. It is the story of a boy with the minimum of opportunity rising above adversity to the sublimest heights—a classical example of worth-while accomplishment. No life in history is more endeared to all mankind.

"A bronzed, lank man! His suit of ancient black  
A famous high top-hat and plain worn shawl  
Make him the quaint great figure that men love  
The prairie-lawyer, master of us all."



# ROYAL UNION

## LIFE INSURANCE

## COMPANY

### DES MOINES, IOWA

S. A. APPLE, President



## Surplus Funds Gain 13%

**Total Surplus Funds**  
**December 31, 1932**  
**\$9,464,084.48**

### BANKERS LIFE COMPANY

Gerard S. Nollen, *President*

Established 1879

DES MOINES, IOWA

## CAN HE PAY?

The important question in prospecting today is, "Can he pay?" Fidelity agents learn this in advance, through their lead service, in thousands of cases. This conserves time. It increases the number of hours face to face with interested prospects.

The 1932 experience shows that the ratio of calls to interviews to sales is greatly improved when agents go in behind the lead service. Present day selling demands the concentration on interested prospects, able to buy, developed by this Fidelity service.

Send for booklet  
"The Company Back of the Contract"

*The* **FIDELITY MUTUAL LIFE**  
**INSURANCE COMPANY**  
**PHILADELPHIA**  
WALTER LEMAR TALBOT, *President*

## Van Schaick Lifts Lid Little Higher

(CONTINUED FROM PAGE 2)

itation upon policy loans and surrender values and the matter of harmonizing the rules of the various states will be taken up at a special meeting of the National Convention of Insurance Commissioners to be held in Chicago, April 7-8.

The future attitude of the New York department will be announced after the benefit of the discussions at that gathering.

Provisions identical to those contained in the latest amendment to the New York emergency rulings have been adopted and announced by Commissioner Armstrong of Pennsylvania.

### Bay State Plans No Change

Commissioner Brown of Massachusetts has announced that in spite of New York's latest liberalizations of policy loan restrictions no such action in Massachusetts may be expected for some time. Mr. Brown said the New York order virtually does away with the restrictions previously in effect. He said he had conferred with all the New England commissioners in an effort to work out a method of modifying the restrictions but has been unable to decide what should be done. He stated that none of the other New England commissioners contemplates following the latest New York order at the present.

Commissioner Dunham of Connecticut reports that Hartford companies are experiencing no unusual rush of policy loan demands and are having a favorable experience on loan repayments. He said he did not at present contemplate further amendment to his existing policy loan and cash surrender rules.

### DETAILS OF COLORADO BILL

The Colorado measure which is pending would grant broad powers to the commissioner, would allow additional grace periods from March 4, 30 days for quarterly premiums, 60 days for semi-annual, and 90 days for annual. The statute would not affect foreign companies in their operations outside the state.

### WEST VIRGINIA RULES

In West Virginia emergency legislation has not been enacted, but moratorium rulings have been made identical with the original New York edict.

### VERMONT RULES ANALYZED

In Vermont the regulations follow those of the original New York order, and the grace period is extended 30 days, dividends may not be paid to stockholders of admitted companies. There is a reciprocity clause as to other state emergency regulations.

Funds on deposit may be withdrawn according to custom established or to be established by the policyholder.

### AMENDMENTS IN ILLINOIS

Superintendent Palmer of Illinois has issued amendments to the Illinois regulations, one of which is that where loans and cash surrender values are allowed to meet mortgage payments, medical, hospital and funeral expenses, payment shall be made direct by the insurance company to the person entitled to the money upon order of the policyholder. The other amendment waives the requirement that evidence under oath must be obtained before permitting additional payment for excepted purposes. Under the amendment, investigation by a representative of the company is required.

### HERDMAN MAKES COMPARISON

Commissioner Herdman of Nebraska, in explaining the necessity for emergency rules and regulations, made a comparison between suspension of cash withdrawal privileges in life insurance

and suspension of gold payments by the government. He pointed out that under the law, life companies have been required to grant policyholders options to surrender policies for cash or to make policy loans. These rights are a secondary element in life insurance. An abuse of these rights, under present conditions, he declared, would jeopardize the real purpose of life insurance.

Likewise, the United States agreed to any anyone who held currency, gold on demand. The government estimated its gold reserve would always be sufficient. Because of present conditions, it was found necessary to temporarily suspend gold payments since there was not enough gold to pay everyone holding currency.

In like manner, life companies have kept available for cash disbursements, sums entirely adequate under anything like ordinary circumstances. To permit an unlimited withdrawal now would necessitate sacrificing securities and these losses would ultimately fall on the holders of policies.

The emergency legislation in Nebraska contains a provision relating to salaries of executives of insurance companies. This indicates, according to Mr. Herdman, that the legislature intended to impose upon the insurance department the duty of ordering a material reduction in the larger salaries. Before doing this, he said he will make an investigation to ascertain what services these officials are performing. Then he will confer with Governor Bryan and Secretary Luykard of the department of trade and commerce and then comply with the salary reduction provision.

Under the Nebraska moratorium, payments up to \$100 may be made in cases of extreme need. An extra 30-day grace period is authorized and there is a reciprocity clause, permitting companies to operate under rules in force in other states. Dividends to stockholders are prohibited.

Applications for loans and surrenders that were on file prior to March 30 may be met if the application was made in good faith for engagements made by the policyholder prior thereto, from the failure to carry out which he would suffer hardship.

### MAY WITHDRAW BAN

Commissioner Sullivan of New Hampshire has announced that limitations upon withdrawal of life insurance equities will probably be lifted soon.

### MICHIGAN ORDERS ISSUED

Commissioner Gauss of Michigan has issued rules and regulations under the new emergency legislation in that state. The Michigan regulations follow closely those issued in Illinois. Cash surrender and policy loan values are suspended except for use in premium payments, up to \$100 in case of dire need, to meet taxes, interest or principal payments on mortgages, hospital, medical and funeral expenses. Where these exceptional payments are allowed to meet third party demands, the money shall be paid directly to the third party. Applications on file before Feb. 11 may be honored, if personal investigation shows that the policyholder would suffer material loss or hardship if he could not get the money.

Up to \$100 may be allowed on industrial policies for any one family. Where cash surrender values are demanded and the policyholder does not desire to use these funds to keep other insurance going, the companies must keep the balance to the credit of the policyholder to be returned with interest when the moratorium is lifted. No dividends shall be paid to stockholders and companies are requested to keep salaries down.

There is a reciprocity clause, providing that companies may comply with the emergency rules and regulations in other states.

### OKLAHOMA LAW

OKLAHOMA CITY, April 6.—Commissioner Read has advised all domestic companies to take advantage of the Ok-



Oklahoma law which gives six months to consider applications for loans. A bill to give the commissioner power to regulate policy loans and surrender values is before the Oklahoma assembly, but little hope is held for its enactment.

#### NORTH DAKOTA PROCLAMATION

Governor Langer of North Dakota has issued a proclamation giving the commissioner full control and supervision of the assets of insurance companies, associations and fraternal benefit societies. The governor directed the commissioner to make, rescind, alter and amend such rules and regulations as may be deemed necessary respecting the payment of premiums to, withdrawals of funds from, and payment of funds by all companies in the state.

During the operation of the proclamation, the governor said action at law or in equity shall not be brought or maintained in any court in that state by or against any company, affected by any rule or regulation made under the authority of this proclamation in which relief is asked contrary to such rules and regulation.

#### REGULATIONS IN MARYLAND

BALTIMORE, April 6. — Commissioner Walsh has issued emergency life insurance orders under authority of legislation.

Pending applications up to March 30 may be completed; values may be applied to pay premiums; \$100 is allowed in extreme need; cash values in extreme need may be paid industrial policyholders.

In case of conflict between the Maryland rulings and those of other states, the commissioner ruled that the Maryland orders may be modified.

Dividends to stockholders are prohibited, but dividends to policyholders may be paid if fully earned.

#### TEXAS MEASURE ENACTED

The free conference committee report on the insurance moratorium bill has been adopted by the Texas legislature. The board of insurance commissioners is authorized to issue regulations in connection with premium payments and withdrawal of cash reserve. The provision is included that no official of a Texas domiciled company shall receive a salary of more than \$1,000 per month during the period of the moratorium, which will expire Dec. 31, 1933.

The board of commissioners has issued regulations prohibiting loans and surrenders except to pay premiums; \$100 in extreme need; industrial values may be paid in extreme need.

#### EDICT IN TENNESSEE

Commissioner Tobin of Tennessee has issued emergency orders under authority of legislation. The grace period is extended 30 days except on industrial insurance, the commissioner holding that any extension of the period of grace would result rather in an accumulated burden to the industrial assured.

Applications for loans or cash surrender values, pending more than 30 days prior to March 25, are not affected.

Cash, loan and surrender values are suspended, except that applications pending more than 30 days prior to March 25 are not affected. Payments up to \$100 may be made in extreme need and relief may be granted industrial policyholders.

Compliance with the order in states other than Tennessee is not compelled save insofar as the order may conform to the law and/or rules and regulations effective in said states.

#### KENTUCKY WARNING ISSUED

FRANKFORT, KY., April 6.—All life companies operating in Kentucky have been notified by Commissioner Senff that under Kentucky laws there can be no moratorium on payment of loans or cash surrender value. Mr. Senff said:

"In my opinion the commissioners of

other states cannot promulgate any rules and regulations that can legally be maintained in Kentucky in conflict with Section 659, Kentucky statutes, which provides that payment of cash surrender values may be deferred for not more than three months after application therefor is made. All Kentucky companies doing business in other states must be governed by the laws of each particular state."

#### RHODE ISLAND BILL ADVANCED

The Rhode Island bill to give the insurance commissioner dictatorial insurance powers has been reported favorably by the senate judiciary committee.

#### Shenandoah Life Convention

The Shenandoah Life held its annual agency convention at Daytona Beach, Fla., with nearly 100 agents and home office representatives in attendance. President R. H. Angell pointed with pride to the fact that the Shenandoah was one of the few companies in the country to increase its insurance in force in 1932, also making a substantial increase in assets and surplus.

The agents' association of the Massachusetts Mutual will meet at White Sulphur Springs, Va., June 5-7.

### Poindexter Family and Northwestern Mutual

E. W. Poindexter of Kansas City who died March 23 at the age of 79, was the head of a famous family. One son, C. H. Poindexter, general agent for the Northwestern Mutual at St. Louis, was general agent with his father at Kansas City, Kas., from Jan. 1, 1916, to Jan. 1, 1923, when his father retired and he and his brother, U. H. Poindexter, headed the agency. In 1927, U. H. became assistant superintendent of agents at the home office and C. H. continued until last fall, when he went to St. Louis as general agent.

The combined service of members of the Poindexter family to the Northwestern Mutual amounts to about 105 years, 100 of which have been spent in Kansas. Besides C. H., U. H., and E. W. Poindexter, with their 31 years, 20 years, and 47 years, respectively, M. H. Poindexter, another son, now is district agent for the Northwestern Mutual at Emporia, Kas. R. G., son of C. H., is an agent for the company at Cleveland. R. W. Emerson, son-in-law of C. H. is supervisor at the St. Louis agency. The latter holds the Northwestern's gold button for three consecutive years of increased production.

A daughter of E. W. Poindexter, Mrs. Mildred Poindexter Miller, is a widely known insurance woman.

### Clark and Gough Members Commissioners' Committee

Insurance Commissioner Thompson of Missouri, who is chairman of the executive committee of the National Convention of Insurance Commissioners, announces that Commissioner E. W. Clark of Iowa and Deputy C. J. Gough of New Jersey have been elected members of the executive committee to fill two vacancies. Superintendent Van Schaick of New York was a member of the committee and he has been made second vice-president of the organization. Commissioner Kidd of Indiana, also a member, has retired from office in his state.

### Volunteer State's Increase

The Volunteer State Life shows a 10 percent increase in paid business for the first quarter. Assistant Agency Manager S. M. Gamble says that the men are working on a more systematic plan. He finds that present day economics demand intensive work.



**\$2,850.00**  
in approved assets for each  
**\$1,000.00**  
of Policy Reserve liability

**THE Great American Life of Texas** has a financial structure equaled by few young institutions in the country. No bank or governmental loans are outstanding and no real estate is owned.

Inquire about our liberal agency contract and modern line of up-to-date policies. Territory available to conscientious agents in Texas, Colorado, Louisiana, Idaho, Arizona and North Dakota.

**THE GREAT AMERICAN LIFE INSURANCE CO.**

Chas. E. Becker, President

HOME OFFICE: SAN ANTONIO, TEXAS

"Where the sunshine spends the winter"

## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York  
E. J. WOHLGEMUTH, President

HOWARD J. BURRIDGE, Vice-President and General Manager

JOHN F. WOHLGEMUTH, Secretary

W. A. SCANLON, GEORGE C. ROEDING AND O. E. SCHWARTZ, Associate Managers  
PUBLICATION OFFICE, A1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704  
CINCINNATI OFFICE, 420 E. Fourth St., Tel. Parkway 2140. RALPH E. RICHMAN, Manager  
ABNER THORP, JR., Director Life Insurance Service Dept.

### NEW YORK OFFICE

Room 802-123 William St.,  
Tel. Beekman 8-3958

### EDITORIAL DEPT.

GEORGE A. WATSON, Associate Editor  
R. B. MITCHELL, Assistant Editor

### BUSINESS DEPT.

NORA VINCENT PAUL, Vice-President  
W. J. SMYTH, Resident Manager  
ALBERT S. CUTLER, Manager Industrial Dept.



### DES MOINES OFFICE

627 Insurance Exchange  
R. J. CHAPMAN, Resident Manager

Subscription Price \$3.00 a year; in Canada, \$5.50 a year. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year; Canada, \$10.50. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

C. M. CARTWRIGHT, Managing Editor  
LEVERING CARTWRIGHT, Asst. Man. Editor  
FRANK A. POST, Associate Editor  
CHARLES D. SPENCER, Associate Editor  
DALE R. SCHILLING, Associate Editor

### SAN FRANCISCO OFFICE

407-S Flatiron Bldg., Tel. Kearny 8054  
FRANK W. BLAND, Resident Manager  
MISS A. V. BOWYER, Pacific Coast Editor

### DALLAS OFFICE

1514 Kirby Bldg., Tel. 2-4491

### PHILADELPHIA OFFICE

628-123 S. Broad St., Tel. Pennypacker 8706  
C. A. JOHNSON, Resident Manager

### DETROIT OFFICE

1015 Transportation Bldg., Tel. Randolph 8994  
A. J. EDWARDS, Resident Manager

### ATLANTA, GA., OFFICE

204 Atlanta National Bank Building  
SETH WHITE, Resident Manager

## Should Meet Basic Needs

AS TIME moves on and people have opportunity to ponder over the life insurance moratorium, opinion seems to be crystallizing and the public in general is becoming better informed as to the reason for this drastic action. People are not condemning the life companies as they have for not meeting all the requirements of the past. After all, life insurance is still functioning 100 percent in all its basic or fundamental activities. Let us take, for instance, a composite of the exceptions made in the New York and Illinois edicts. There have been revisions made in their original proclamations. These are the purposes for which companies can loan on policies in these two states:

- \$100 in dire need.
- To pay taxes.
- Mortgage payments.
- Hospital, medical and funeral expenses.
- Interest and rent.
- Food.
- Educational purposes.
- To farmers for agricultural purposes.
- For prevention of penalties on commitments prior to date of moratorium or revision.
- To meet payrolls.

That is rather a comprehensive list. It covers what might be termed the normal needs that arise.

Banks are not entirely free to do what they desire even yet. Even the 100 percenters have to investigate a depositor who desires more currency than the teller may seem to feel he needs. He is not allowed to withdraw gold without satisfying the officials. He is limited in such a way because the authorities desire to prevent hoarding or the use of money for purposes that may serve to continue the depression.

In the opinion of this paper, there should be uniformity of action among the states as to exceptions made in the general prohibition against loans and surrenders. We should all recognize the primary functions of life insurance. It was never proposed that life insurance money should be used for hoarding, speculative purposes or strictly banking uses. It was not so long

ago that companies did not pay surrenders or policy loans without exacting a very severe penalty. Gradually the banking or investment part of life insurance was extended but even that did not warrant companies taking the place of banks as they have during the last three years or more.

There should be a gradual unfolding of the moratorium until companies finally function naturally and in order. If, for example, the actual needs of policyholders are met, that should satisfy all reasonable people. Companies are now paying death claims, installment benefits, disability benefits, double indemnity, matured endowments, annuities, interest on proceeds left with a company, policyholders' dividends that have been declared. Then in addition in the list above are the needs recognized, at least in two of the great states.

We hope that when the insurance commissioners meet in Chicago this week there may be a universal practice established so that a company can pay these normal demands of policyholders. We do not mean by this that a company should only pay what is properly known as "distress money." There should be a widespread recognition of the fact that a life company is in business to meet certain basic, natural needs, aside from death protection. There should be at the same time an educated public so that it will recognize the fact that the whole banking strain should not be put on life insurance. People should not be allowed in these days to withdraw their insurance for hoarding, speculation or unnecessary investment or banking needs. When this is thoroughly recognized then it would seem that there should be full cooperation all along the line from the home office, field and the buying public.

If such a practice is established then the vast majority of the companies that can function should not be restrained because of the few that are hopelessly involved or so weakened that they can not be resuscitated.

## Too Much Caution Is Unwise

AN observer said the other day that if one asks for money he may not get it. But if he does not ask he certainly will not get it. There is such a thing as being

too cautious and conservative. After all it is necessary to obtrude oneself quietly and inoffensively. The salesman, not being brash or bold, can at least be forceful.

## PERSONAL SIDE OF BUSINESS

Eric O. Ohman, general agent for the Home Life in Chicago, has moved his offices from the Insurance Exchange to room 1455, One North La Salle street.

A. C. Pearson of New York City, chairman of the board of the United Publishers Corporation, which owned a number of trade papers including the "Spectator," died suddenly from a heart attack April 1. He was a brother of P. M. Pearson, governor of the Virgin Islands.

A. J. Groesbeck, president of the Michigan Life of Detroit and former governor of Michigan, has been appointed conservator for the Guardian Detroit Union group of financial institutions, including the Guardian National Bank of Commerce, the Union Guardian Trust Company and other concerns. This is the second largest financial group in the city.

H. C. Berger, 50, agency supervisor in the district north of Oshkosh, Wis., and the upper Michigan peninsula for the Aetna Life under the A. E. Mielenz general agency in Milwaukee, died March 30 in a hospital at Rochester, Minn., after an illness of a month. He had undergone several operations for the removal of a blood clot on the brain, said to have been caused by injuries when he fell on the ice while skating New Year's day.

Chas. L. Lewin, prominent life insurance broker of Los Angeles, committed suicide last week. Financial reverses were declared by friends to have prompted his act. Mr. Lewin had lived in Los Angeles for 20 years and for many years had been a leader in life insurance production, his volume several years ago reaching a mark of over \$2,000,000 per annum. At that time he was with the Pacific Mutual Life.

J. A. Hawkins, vice-president and agency manager of the Midland Mutual Life at Columbus, O., spoke at a joint luncheon of the Kiwanis club and the Columbus Life Underwriters Associa-

tion March 29 on "Life Insurance in the New Deal." His talk received an enthusiastic reception.

Hiram McCullough, who has been in the lumber business with headquarters in the New York Life building, Chicago, has been appointed office manager of the state insurance department at Springfield by Insurance Superintendent Palmer. Mr. McCullough is prominent in civic activities in Evanston, Ill., where he resides. He was formerly an alderman from the sixth ward in that city. He is known to a number of insurance men, largely through his connection with the Union League Club. He is proving a very capable official.

N. J. Hein, supreme secretary Chicago Fraternal Life and secretary Illinois Fraternal Congress, died of heart disease at the age of 72.

Church Brotton, deputy auditor of Ohio and a vice-president of the Federal Union Life, has been very ill at his home in Cincinnati.

W. A. Miller, senior member of Miller & Miller, Chicago general agents for the Pacific Mutual Life, has returned from a two months' automobile trip to Florida and back up the east coast.

C. W. Brower, 61, died last week in Newark, after two months' illness. He was for 31 years a member of the law department of the Mutual Benefit Life at the home office.

Sam Lustgarten, agency manager of the Equitable of New York in Chicago, has two talented sons, Alfred and Edgar, a violinist and cellist, respectively, who recently gave a recital in Chicago.

J. B. Reynolds, president Kansas City Life, has been proposed as a Democratic member of the Reconstruction Finance Corporation. It is considered unlikely that he will accept. Mr. Reynolds' appointment is desired particularly to give the insurance interests representation.

## NEWS OF THE COMPANIES

### Report on the Security Life

Receiver Shows Dividends Paid Stockholders While \$150,000 Death Claims Were Unpaid

Receiver J. A. Massen of the Security Life of Chicago has filed a report in federal court, reciting many of the tangled affairs of that company, which are well known to the business, but bringing out a few facts which have not been aired heretofore.

The receiver stated that on Feb. 2, 1931, a dividend of \$30,000 was declared to stockholders, despite the fact that the company's bank account was overdrawn \$12,816 and that unpaid death claims of \$150,000 were pending. The Keystone Holding Company, which owned the Security, was overpaid \$9,869 in the distribution of this dividend and the excess was charged to Edwin Hult & Co., which was also affiliated with the Security Life.

At the time of the Security's failure there was an impairment of \$5,025,342 consisting of 1,461,333 shares of Inter-Southern Life, 13,535 shares Northern States Life, liens upon parts of a tract of real estate formerly owned by the Manufacturers Terminal Company in Waukegan, collateral loan to Edwin Hult & Co. and depreciation in other assets.

Mr. Massen remarked that prior to

the acquisition of the Security Life by the Keystone Holding Company in 1930, the Security Life had a splendid investment portfolio of a conservative nature. In 1929 its net rate of interest earned on assets was 5.7 percent and in 1931 it was 2.6 percent.

The homestead of M. J. Dorsey, head of the Security Life, in Columbia, Mo., was conveyed to the Security Life by D. L. Bendle, who was then secretary for Harry S. Tressel, who was secretary of the Security Life and of the Northern States.

Mr. Massen recommends a thorough investigation of the books of Edwin Hult & Co. and of the transactions of all persons associated with it in connection with the Waukegan property.

### Continental Life Loans to St. Louis Banks Given O. K.

Attorney General McKittrick of Missouri holds that a life company may legally make a loan on the stock of a national or state bank and carry such stock as an asset to the extent that the superintendent of insurance may find adequate. Superintendent Thompson had received a request for an official ruling on this point from the Continental Life of St. Louis.

The Continental Life is said to be considering such a loan to the Grand National Bank of St. Louis, now op-





*Dear Fred:*

THIS is a strange world. A few days ago I was handed a "coupon lead" from one of our Saturday Evening Post ads. Expecting the usual proud papa with presidential hopes for his infant, I hurried out to his address armed to the teeth with education material.

And what did I find? A bachelor! Imagine my embarrassment! All I could do was stand there looking foolish until Mr. B.... broke the ice with a laugh.

"No, I'm not in the market for a son and heir just yet," he chuckled, "but I do want some insurance, I think. Anyway, your advertising has convinced me that you have the education problem pretty well in hand, so I thought I'd let you solve another one for me, if you can."

Well, it turned out that his heart is set on closing up the old desk for good some day, and doing a lot of fishing. Natural? . . . of course. So we fixed him up with an Income Extension Policy that just fitted the bill—an income for life . . . \$100 a month . . . and it can begin at any age he chooses after he has made ten annual deposits.

Right there, Fred, you have mighty convincing proof that Union Central advertising does its work on a large and general scale. We may *advertise* Education Policies, but we *sell* all of them, because people know our company for the bulwark that it is.

I could ramble on like this for hours, but it's time to keep an appointment. And this time it's *not* with a prospect. Pleasure before business for a change!

YOUR OLD ROOMMATE,

*Sam*



THE UNION CENTRAL  
LIFE INSURANCE COMPANY

>> CINCINNATI <<

## Back to Bed-Rock

TODAY we are back to fundamentals. Safety of principal is again the first consideration of those who seek to build a reserve for their later years. That, in short, is the message agents are stressing during Financial Independence Week, April 17 to 22.

In line with the increased recognition of this bed-rock principle of safe investment, the New York Life offers a wide range of insurance and annuity contracts to fit the particular needs of those who seek to assure themselves of a thoroughly dependable source of income in their later years.

During the past 88 years the New York Life has paid over \$2,408,750,000 to living policyholders, including over \$182,000,000 in maturing policies and other cash benefits during 1932.

A New York Life agent sells practical, time-tested plans for achieving the goal of financial independence.



HOME OFFICE BUILDING

NEW YORK LIFE  
INSURANCE  
COMPANY

51 MADISON AVENUE  
NEW YORK, N. Y.

erating under a federal conservator, and the Wellston Trust Company of Wellston, Mo., which has been closed since the bank holiday became effective March 6.

Ed Mays, president of the Continental Life, is a large stockholder in both banks and the Continental Life is a depositor in both institutions.

### Bankers Life of Iowa Record

New paid-for business produced by the sales force of the Bankers Life of Des Moines in March was over \$3,200,000, approximately three-fifths of the total for March, 1932. The new business came steadily most of the month, but there was a decided acceleration the last week, with nearly \$400,000 for the last day.

Seven policyholders of the Bankers Life who had carried their insurance in the company for less than a year, died in February. Thirty-seven others who had carried their insurance less than

six years died the same month. The total payments to beneficiaries in February were \$850,000. Payments to policyholders that month were \$1,256,313.24.

### Form New Nebraska Company

E. C. Bigger and R. L. Davis, former heads of the Missouri Valley Life of Lincoln, Neb., and later with the Home Guardian, have organized the Cooperative Legal Reserve Life Association of Lincoln and have deposited \$50,000 bond with the Nebraska department. Commissioner Herdman has given permission to solicit 500 initial policies required by law. It will operate as a cooperative non-profit life benefit association.

### Seeks to Regain Control

E. J. Stevens, former vice-president of the Illinois Life, has filed suit in an attempt to regain control of the Illinois Life. He sets up that with the mora-

torium on cash surrender and policy loan values, the Illinois Life could function normally. He charges that last year he was induced to give up various holdings in the Stevens and LaSalle hotels under an agreement by which the Reconstruction Finance Corporation would advance the Illinois Life more money. These loans were not forthcoming, but Mr. Stevens said that he relinquished his holdings.

### Changes in Denver Company

V. L. Tickner, vice-president and general manager of the American Life of Denver, has resigned. L. G. Mulnix, superintendent of agents, succeeds him. He has had a wide experience and is well known in Colorado. At one time he was superintendent for the Northwestern Mutual Life in its Denver office.

### Homeland Life Restrained

Circuit Judge Calhoun of St. Louis has issued a temporary restraining order prohibiting the Homeland Life of that city from transacting further business. The order was issued on request of Superintendent J. B. Thompson, who stated that an examination by the department indicated the capital is impaired and that liabilities exceed available assets.

### Investigate Fraternal's Rates

ST. PAUL, April 6.—Five states are examining the affairs of the Independent Order of Foresters of Toronto to determine whether its recent rate increases are fair and proper, according to Commissioner Brown of Minnesota. Complaints have been filed by policyholders in the Modern Brotherhood of America, which was taken over by the Foresters. Exorbitant increases in premium rates are charged, especially by old members.

### American to Increase Capital

President C. L. Ayres of the American Life of Detroit has called a special meeting of stockholders April 14 to vote on a proposal to increase its capital from \$500,000 to \$2,500,000 and to add six directors, making a total of 21 permissible.

### Kansas City Life Shows Gain

The Kansas City Life's written business for the first quarter shows a \$255,000 gain over a year ago. Paid-for business shows a gain of \$550,000. On April 3, after the March campaign closed, the company received over \$1,000,000 in written business.

The total written for March was \$7,-

830,233, with \$687,150 turned in on March 22, the birthday anniversary of President J. B. Reynolds.

### All-American Reinsured

The All-American Life of Amarillo, Tex., organized two years ago with \$115,000 capital and with some \$2,000,000 insurance in force, has been sold to the Trinity Bond & Investment Company of Fort Worth, holding company for the Trinity Life. All the policies in the All-American will be reinsured in the Trinity Life. W. T. Cable, prominent Panhandle cattleman, was president of the All-American.

### Forming National Mutual

Formation of the National Mutual Life of Kentucky by J. R. Duffin to reinsure life business of the Equitable Life & Casualty of Louisville, now in the hands of temporary receivers, is under way. Mr. Duffin, long identified with the old Inter-Southern Life, plans to build up the new company by reinsuring other mid-western companies, but will develop an agency plant. Plans call for a guaranteed capital of \$200,000 at the start, stockholders to be restricted to a maximum of 8 percent a year, the guaranteed amount to be retired out of earnings.

Temporary receivership of the Equitable Life & Casualty has been extended indefinitely to permit consideration of reorganization plans.

### Three Fraternal's Action

The Supreme Royal Circle of Friends of the World, a Chicago fraternal, has been referred by the Illinois insurance department to the attorney general for dissolution and appointment of a receiver.

The American Insurance Union, the fraternal at Columbus, O., has retired from Illinois.

The Improved Industrial Order of Wise Men of Muskogee, Okla., has also retired from the state.

### Bennett Heads Republic

The Republic Life of Dallas has elected E. P. Bennett president and Z. K. Brinkerhoff, vice-president. These men recently acquired large interests in the company.

### Lutheran Brotherhood Expands

The Lutheran Brotherhood of Minneapolis added 40 agents in March, according to C. O. Teisberg, assistant superintendent of agencies. The company began a campaign March 1 to increase its agency force. North Carolina is the most recent state entered.

## LIFE AGENCY CHANGES

### Selwyn C. Woodard Resigns

Retires as Manager of Agencies in Chicago for Home Life—Succeeded by W. F. Jenkins

Selwyn C. Woodard has resigned as manager of agencies in Chicago for the Home Life of New York effective about May 1. He has not made definite plans as to the future, except that he expects to take his family to the west for a short time about the middle of May.

W. F. Jenkins, an agent for the Massachusetts Mutual in Detroit, has been appointed general agent in Chicago to take the place left vacant by the resignation of Mr. Woodard. Mr. Jenkins is a large personal producer who has been connected with the John W. Yates agency in Detroit for many years.

After graduating from the University of Wisconsin in 1912, Mr. Woodard started with the Northwestern Mutual at Madison, Wis. He went to Chicago

in 1913 with the Mutual Benefit and joined the Penn Mutual a year later. He was made junior partner of the C. J. McCary & Co. agency of the Penn Mutual in 1917 and continued in that position until 1921.

In that year he was made general agent in Chicago for the National Life of Vermont, to start its second agency in the city. He started from scratch and in nine years developed \$1,000,000 of premiums for that company. Mr. Woodard made a good record with the National. In 1930, he was appointed manager of agencies for the Home Life in Chicago.

### Lackey and Yates Making Changes, Others Appointed

George E. Lackey, general agent Massachusetts Mutual at Oklahoma City, and John W. Yates, the Detroit general agent, have made changes, Mr. Lackey succeeding Mr. Yates in Detroit and Mr. Yates going to Los Angeles

**Outstanding**  
by any  
**STANDARD**  
of  
**COMPARISON**

**EQUITABLE LIFE**  
OF IOWA



general agent for the company. T. M. Green and H. E. Coombs become general agents in Oklahoma City and R. A. Hittson general agent at Tulsa.

Mr. Lackey is past president of the National Association of Life Underwriters and Mr. Yates nationally known as a speaker on life insurance subjects. The latter fills the vacancy left by the death of F. E. McMullen. Mr. Lackey will leave Oklahoma City about April 15.

Mr. Hittson was a member of Mr. Lackey's agency and formerly president Texas Association of Life Underwriters. Mr. Green was an Oklahoma business man for 15 years before joining the Lackey agency. He is a C. L. U. and treasurer Oklahoma Association of Life Underwriters. Mr. Coombs, a former Enid, Okla., banker, has been with Mr. Lackey seven years. He is president of the Enid Association of Life Underwriters.

### Agitation in South Dakota

Word has reached company headquarters that agents in some of the South Dakota towns and counties are organizing in an effort to combat the practice of companies writing business direct for life insurance companies, land banks, etc. Agitation is being started in South Dakota among the agents to give up representation of companies that enter into deals of this kind.

### W. A. Frazier, H. A. Yost

W. A. Frazier, Lawrence, Kan., agency manager of the Bankers Life of Des Moines, has been appointed agency manager at Lincoln, Neb. He will be succeeded at Lawrence by H. A. Yost, for the past two years supervisor of the Lincoln agency.

### Walter M. Ivey

Walter M. Ivey, branch manager for the Monarch Life in Pittsburgh and president of the Pittsburgh Accident & Health Managers Club, who has supervision over the Monarch's business in western Pennsylvania, West Virginia, Kentucky and Ohio, is moving his headquarters from Pittsburgh to Columbus, O., with offices in the Lanman building, in order to be near the center of the territory in which he operates. District managers under Mr. Ivey's supervision are located in Johnstown and Punxsutawney, Pa.; Youngstown, Dayton, Toledo, Cleveland, Columbus, Cincinnati and Akron, O.; Huntington and Parkersburg, W. Va. Mr. Ivey has been with the Monarch since 1916. At the time he took charge at Pittsburgh the combined premium income was less than one-third of the premium income of his department at the present time.

### T. M. Jones

T. M. Jones has been appointed general agent at Youngstown, O., for the Northwestern National Life of Minneapolis. He has conducted a general insurance business in Youngstown the past

## Resigns in Chicago



**S. C. WOODARD**  
Manager Home Life of New York who  
Quits May 1

15 years. For the past 12 years he has represented the Lincoln National Life. He will have associated with him his son, R. M. Jones, who has been with his father in the insurance business for the past seven years.

### Paul T. Moakley

The Yeomen Mutual Life of Des Moines has appointed Paul T. Moakley of Springfield, general agent for central Illinois. He has been in life insurance for about ten years and has made an enviable record in Illinois as a large personal producer and an agency manager.

Victor M. Shewbert, assistant superintendent of agents of the Yeomen Mutual, has just returned from a week's organization and contact work in Illinois. The company reports splendid progress in nearly all states.

## Life Agency Notes

**J. Dwight Evans** has been named as manager at Lincoln, Neb., for the Prudential's ordinary department.

**G. A. Snively**, formerly with the A. J. Butsen general agency of the Massachusetts Mutual Life in Milwaukee, has been appointed district agent at Appleton, Wis.

**Albert Herrmann**, formerly an assistant in the industrial office of the John Hancock Mutual at Indianapolis, has been appointed manager following the resignation of D. J. O'Brien. He started at Cleveland No. 2, in 1925, and later was made an assistant at Columbus, O. Then he returned to Cleveland No. 2 and established a good record with his staff. He was transferred to Indianapolis in 1931.

## PACIFIC COAST AND MOUNTAIN

### Agency Building Discussed

**Hammond Says That New Men Should Look on Business as Life Work to Qualify**

W. M. Hammond, Los Angeles general agent Aetna Life, spoke at the luncheon-meeting of the Life Managers Club of Los Angeles on "Agency Building." He told of the principles and practices observed by his agency organization in the careful selection of new men. "We believe a man must have a vision regarding the business and its purpose. The man who simply wants to try out the business for a year has no

chance for the achievement of success. He must be willing to at least take a five-year look ahead, but more particularly to look upon it as his life's work. We try to develop men who will learn to love the life insurance business, for we believe it is necessary that a man love his work and have a higher motive toward it than mere money-making if he is going to keep diligently on the job in spite of all turndowns and fruitless efforts—fruitless only by reason of the fact that they have yet to materialize."

### Bland Gives Denver Talks

Frank W. Bland of San Francisco, Pacific Coast manager of THE NATIONAL

# "Co-operari"

**STATE LIFE AGENTS**  
Know the meaning of co-operation—"co-operari"—working together for a common purpose—the Agent's success.

"Ten Minutes with Your Future" tells the story of Opportunity with this time-tried, progressive Company.

## THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

THIRTY-NINTH YEAR

# THEY

are Sour on the  
Stock Market now



Now, of all times is the time to sell life insurance as an investment. Old-age security and retirement income have an irresistible appeal if they're sold right. Southland's plan is right. Write for information to Col. Wm. E. Talbot, Agency Manager, or Clarence E. Linz, 1st Vice President.

## Southland Life Insurance Company

HARRY L. SEAY, President

HOME OFFICE . . . . . DALLAS, TEXAS

THE FIRST COMPANY IN THE FIRST CITY IN THE FIRST STATE

## We Give To You What You Sell To Others

Every new representative accepted by this Company is immediately eligible for the "Extra Reward"—a regular contract that assures financial independence in later years in exchange for faithful, continuous and productive service.

**Continental American  
Life Insurance Company**  
Wilmington, Delaware

## OPPORTUNITY

Opportunity for General Agents means a chance to make a good living now and build for a future that will be secured. Our General Agent's contract offers this opportunity. We especially invite correspondence with experienced life men in the following territory—Western Pennsylvania, Ohio, Michigan and Indiana.

**PHILADELPHIA LIFE  
INSURANCE COMPANY**

111 North Broad Street  
Philadelphia, Pa.

UNDERWRITER, has been in Denver the last few weeks and while there addressed agency meetings at the following offices: Provident Mutual, Occidental Life of Los Angeles, Home Life of New York, Sun Life of Canada and New England Mutual. Mr. Bland is in frequent demand as a speaker before meetings of life salesmen.

### Conducting Agency Schools

J. G. Butterbaugh and P. W. Root, assistant superintendents of agencies of the Bankers Life of Iowa, are conducting a series of agency schools in Denver, Salt Lake City, Los Angeles, San

Francisco, Portland, Seattle, Spokane and Helena, Mont.

### Fulton Visits Agencies

C. C. Fulton, superintendent of agencies of the Home Life of New York, has been in Denver visiting Manager A. Butler. He is on a western trip before going to Denver spent a few days in St. Louis.

### Brock on Coast Trip

Elbert G. Brock, vice-president of Hancock Mutual Life, is on a Pacific Coast agency trip.

## ACCIDENT AND HEALTH FIELD

### Offers New Life Income Form

**Massachusetts Indemnity Has Attractive "Non-Can" Contract to Replace Life Disability Coverage**

The Massachusetts Indemnity of Boston, well known in the accident and health field, has brought out a new life income disability contract which covers much the same field as the disability coverage formerly granted by life companies, with the addition of some unusual features. The policy is noncancelable and renewable for life and the featured form is written with the 90-day elimination period. It includes hospital reimbursement for 26 weeks and half benefits for partial disability following total disability.

Accident disability indemnity and hospital benefits are paid without regard to age, instead of terminating at age 60, as

has been the practice in many contracts of this class. Full illness disability indemnity is paid up to age 50. For disability starting at ages above 50 the amount of benefit payable is reduced percent for each year beyond that age.

### Bryan Made Sales Supervisor

W. S. Bryan, special agent for the St. Louis branch office of the Missouri State Life, has been appointed supervisor of sales for the accident department of the company. Mr. Bryan's first connection with the Missouri State Life was in 1913 in a clerical position with the actuarial department. He served overseas during the war and at its close rejoined the Missouri State Life and engaged in sales work. About a year ago he was made St. Louis manager for an organization in another field but again returned to the Missouri State Life last July.

## NEWS OF LIFE ASSOCIATIONS

### National President to Speak

**Three Other Headliners Also to Address Chicago Association's Meeting April 28**

President C. C. Thompson of the National Association of Life Underwriters, Seattle, will be one of four prominent speakers at the April 28 meeting of the Chicago association. His subject has not yet been selected.

The other three speakers will be selected from among general agents and agents who will attend the mid-year meeting in Chicago of the National association. The graduating exercises of the Life Trust Institute will be held. It is expected that this meeting will have much the value of a sales congress. It will be attended by notable life men from many parts of the country.

### Hastie to Address Three Underwriters Associations

Several addresses are to be made this month before life associations by John R. Hastie, president Chicago Association of Life Underwriters and associate manager Mutual Life of New York. Mr. Hastie will speak before the Cleveland association April 14 on "Financial Independence Through Life Insurance." He will address the South Bend association April 21 on, "Reorganizing Ourselves to Meet Existing Conditions," and on the same subject April 28 at the annual sales congress of the Gifford T. Vermillion agency in Milwaukee.

**San Francisco**—The program of the joint sales congress of the San Francisco and East Bay associations in San Francisco, April 17, will deal with practical problems of the business under present conditions. M. L. Fairchild, general agent Connecticut General Life, is

general chairman. The morning session, which is to be opened by J. A. Sullivan, president of the San Francisco group, will deal with financial independence through life insurance for the family, the assured and the agent. The afternoon session, to be opened by A. L. Littlejohn, president East Bay association, will be devoted to discussions of prospecting, mental attitude and close work, a discussion of "What's Ahead in the Life Business." It is planned to have a number of the more successful producers give short talks on how to meet life problems.

Indications are that more than 400 will attend. Among the subjects to be discussed are: "Facing the future with a clear mind"; "What's on your mind?"; "There are no strangers"; "Who controls your time?"; "Financial independence for the family"; "The insured and the life underwriter."

\* \* \*

**Des Moines**—J. S. Maryman, Agent Life, Little Rock, Ark., for 11 years a million dollar producer, will speak at the sales congress April 7, as will Dr. S. S. Huebner, dean American College of Life Underwriters.

Earl E. Smith, educational director Equitable Life of Iowa, will speak on "Building the Buyer's Morale."

\* \* \*

**Minneapolis**—O. I. Hartsgaard, vice president, has been advanced to president, succeeding Henry Baker, who has been transferred to the home office of the Great West Life. A. M. Packer has been elected vice-president.

Commissioner Garfield W. Brown spoke on the effect of the moratorium on policy loans and surrenders.

\* \* \*

**Los Angeles**—Charles C. Thompson, Seattle, president National association, spoke on "Progress With Security." He said that in the last four years, when the financial stability of every insurance in America was challenged, life insurance has met the challenge without flinching.

\* \* \*

**Wichita, Kan.**—Dr. S. S. Huebner, University of Pennsylvania, will speak April 18 on "Business Depressions and Their Solution."



# NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

## Connecticut General Rates

Readjusted Schedule for Most Popular Guaranteed Cost Policies Given—  
New Rate Book

The Connecticut General Life, which announced a readjustment in its guaranteed cost or non-participating rates, has issued its new rate book, effective April 1. Rates on its principal policies follow:

### Guaranteed Cost Rates

Age	Ord. Life	20 Yr. Pay Life	20 Yr. End.	Ins. to Age 65 Yr. \$10 mo. Inc.	10 Yr. Term
13.01	20.25	40.78	17.17	8.05	
13.32	20.60	40.82	17.68	8.10	
13.64	20.96	40.86	18.21	8.15	
13.98	21.34	40.89	18.77	8.20	
14.34	21.73	40.93	19.37	8.25	
14.72	22.14	40.97	20.00	8.30	
15.11	22.57	41.02	20.67	8.36	
15.53	23.03	41.07	21.39	8.42	
15.97	23.51	41.14	22.14	8.49	
16.43	24.02	41.22	22.95	8.57	
16.92	24.56	41.31	23.81	8.67	
17.45	25.14	41.42	24.73	8.80	
18.03	25.75	41.55	25.75	8.96	
18.66	26.40	41.70	26.94	9.16	
19.34	27.09	41.88	28.21	9.40	
20.06	27.82	42.09	29.57	9.68	
20.81	28.58	42.32	31.95	10.00	
21.60	29.37	42.58	32.65	10.37	
22.44	30.19	42.87	34.38	10.78	
23.32	31.05	43.19	36.27	11.23	
24.24	31.95	43.54	38.34	11.74	
25.25	32.89	43.94	40.63	12.31	
26.30	33.88	44.38	43.15	12.95	
27.42	34.92	44.86	45.91	13.67	
28.60	36.02	45.39	48.88	14.47	
29.85	37.16	45.98	52.09	15.35	
31.17	38.35	46.63	55.58	16.32	
32.57	39.60	47.34	59.41	17.39	
34.04	40.92	48.12	63.67	18.55	
35.62	42.31	48.98	68.43	19.82	
37.27	43.77	49.92	73.84	21.21	
39.02	45.30	50.94	80.05	22.73	
40.88	46.91	52.05	87.26	24.38	
42.85	48.62	53.26	95.73	26.18	
44.94	50.43	54.58	105.78	28.13	
47.17	52.35	56.02	117.89	30.25	
49.52	54.38	57.58	133.69	32.56	
52.01	56.53	59.27	153.10	35.07	
54.65	58.81	61.11	177.57	37.79	
57.45	61.23	63.13	209.57	40.72	
60.44	63.79	65.37	253.26	43.86	
63.65	66.53	67.88	...	...	
67.13	69.52	70.72	...	...	
70.94	72.87	73.97	...	...	
75.16	76.75	77.72	...	...	
79.88	81.39	82.09	...	...	

## New Provident Mutual Form

Issues "Protector" Contract with Low Initial Rate to Meet Present Situation

The Provident Mutual is issuing a "Provident protector" whole life policy which in an announcement to field men President M. Albert Linton explains. "The basic principle underlying the 'protector' is that the first two annual premiums are low," he said. "The third and subsequent premiums are increased to a new level, but the normal dividend payable at the end of the second year cancels the increase so that it may be anticipated that the net deposit will be less than the first two premiums."

The contract is not being presented as meeting the needs of all persons, or even of a majority, but it is felt that the outstanding need of many persons today is permanent protection at minimum outlay.

The first dividend is due at the end of the second policy year. Nonforfeiture values necessarily are less than those for the corresponding ordinary life policy. The new form is issued to either men or women, at ages 20 to 55 inclusive for life and endowment limits, but not exceeding \$100,000 in any case. The minimum amount issued in any one policy is \$5,000. The regular disability and accidental death benefit provisions may be included subject to underwriting rules. Premiums, dividends and cash or loan values per \$10,000 are:

Age	1-2 Yrs. Years	Premium Later	Cash Value End. Years	5	10	15	20
20...	118.20	158.80	120	650	1,130	1,580	
21...	121.50	162.10	140	690	1,180	1,750	
22...	125.10	165.80	150	720	1,230	1,830	
23...	128.70	169.50	170	750	1,280	1,910	
24...	132.70	173.50	180	780	1,340	1,980	
25...	136.50	177.60	200	820	1,400	2,070	
26...	140.90	182.00	210	860	1,460	2,150	
27...	145.40	186.60	230	900	1,520	2,240	
28...	150.10	191.40	250	940	1,590	2,330	
29...	155.00	196.40	270	980	1,660	2,430	
30...	160.30	201.90	290	1,030	1,730	2,520	
31...	165.80	207.60	310	1,080	1,800	2,630	
32...	171.60	213.40	340	1,120	1,880	2,730	
33...	177.70	219.60	360	1,160	1,960	2,830	
34...	184.20	226.40	390	1,220	2,040	2,940	
35...	191.10	233.30	410	1,290	2,130	3,050	
36...	198.40	240.80	440	1,340	2,210	3,160	
37...	206.00	248.60	470	1,400	2,300	3,270	
38...	214.20	257.00	500	1,470	2,400	3,390	
39...	222.80	265.80	530	1,530	2,490	3,500	
40...	231.80	275.10	560	1,600	2,580	3,620	
41...	241.60	285.10	600	1,670	2,680	3,740	
42...	251.70	295.60	630	1,740	2,780	3,860	
43...	262.90	306.80	670	1,810	2,880	3,980	
44...	274.40	318.70	700	1,880	2,980	4,100	
45...	286.80	331.40	740	1,950	3,080	4,220	
46...	300.00	344.90	780	2,030	3,180	4,340	
47...	314.10	359.40	820	2,110	3,290	4,460	
48...	329.10	374.80	860	2,180	3,390	4,570	
49...	345.00	391.10	900	2,260	3,490	4,690	
50...	362.10	408.50	950	2,340	3,600	4,800	
51...	380.20	427.20	990	2,420	3,700	4,920	
52...	399.60	447.00	1,030	2,500	3,810	5,030	
53...	420.23	468.30	1,080	2,580	3,910	5,140	
54...	442.30	490.70	1,120	2,660	4,010	5,250	
55...	465.80	514.90	1,170	2,750	4,110	5,360	

### Dividends

Age	2	3	5	10	10 yrs. End
20...	\$44.10	\$45.90	\$49.50	\$58.90	\$1,041.90
21...	44.10	45.90	49.50	58.90	1,075.70
22...	44.20	46.00	49.70	59.10	1,111.00
23...	44.40	46.30	50.00	59.20	1,145.30
24...	44.40	46.40	50.40	59.70	1,181.40
25...	44.70	46.70	50.90	59.90	1,218.50
26...	44.70	46.80	51.30	60.10	1,260.10
27...	44.80	46.90	51.60	60.30	1,303.90
28...	44.90	47.10	51.90	60.60	1,349.20
29...	45.10	47.30	54.40	60.80	1,397.00
30...	45.30	47.50	52.10	61.10	1,449.90
31...	45.50	47.70	52.20	61.40	1,505.00
32...	45.50	47.80	52.20	61.60	1,562.80
33...	45.70	48.00	52.50	61.80	1,622.40
34...	46.00	48.30	52.90	62.20	1,688.00
35...	46.00	48.00	52.90	62.20	1,757.40
36...	46.30	47.90	53.10	62.40	1,830.60
37...	46.50	47.90	53.30	62.70	1,906.80
38...	46.70	48.20	53.50	63.20	1,988.10
39...	47.00	48.60	53.40	63.50	2,074.70
40...	47.30	49.10	53.40	64.10	2,164.30
41...	47.60	49.60	53.50	65.00	2,259.70
42...	47.90	50.00	53.70	66.00	2,358.70

(CONTINUED ON NEXT PAGE)

# Intangibles

When choosing a profession, the customary practice is to review the possibilities of financial gain, the opportunities for personal promotion, and the stability of the occupation under consideration. These items are fixed and tangible; they can be determined with almost mathematical certitude. They are constantly before the public eye, and the average man uses them to locate himself in his life work.

But it is the intangibles—those abstract qualities perpetually hidden from the five senses—that spell peace of mind, spiritual gratification, pride of attainment. It is the ideals—the underlying principles of an institution—that bring contentment and prosperity, loyalty, and abiding trust into the heart of the member.

Some institutions have minds, some have power, some have wealth—a few have souls.

## AMERICAN CENTRAL LIFE INSURANCE COMPANY INDIANAPOLIS, IND.

# Interesting Facts from the JEFFERSON STANDARD'S

Annual Statement January 1, 1933

NEW INSURANCE ISSUED (PAID-FOR BASIS)	\$ 36,440,100
INSURANCE IN FORCE	328,270,890
PAYMENTS TO LIVING POLICYHOLDERS IN 1932	6,387,683
PAYMENTS TO BENEFICIARIES IN 1932	2,852,580
TOTAL PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES	9,240,263
TOTAL PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES SINCE ORGANIZATION	65,103,520
RATIO OF ACTUAL TO EXPECTED MORTALITY	59%
INTEREST EARNED ON TOTAL INVESTED ASSETS	5.5%
ACTUAL INTEREST COLLECTIONS ON MORTGAGE LOANS IN 1932 AVERAGE	6%
INTEREST PAID ON FUNDS HELD IN TRUST	5%

## JEFFERSON STANDARD LIFE INSURANCE COMPANY

Greensboro, North Carolina

JULIAN PRICE  
PRESIDENT

A. R. PERKINS  
AGENCY MANAGER

## Retirement Annuity—\$100 Annual Premium

Age at Inc.	Mo. Issue at 65	Mo. Issue at 65	Age at Inc.	Mo. Issue at 65
30...	\$85.71	\$41.84	48...	\$16.51
31...	81.72	39.54	49...	15.18
32...	77.87	37.32	50...	13.90
33...	74.19	35.19	51...	12.67
34...	70.63	33.14	52...	11.48
35...	67.22	31.16	53...	10.35
36...	63.94	29.27	54...	9.25
37...	60.78	27.45	55...	8.20
38...	57.75	25.70	56...	7.20
39...	54.83	24.01	57...	6.20
40...	52.02	22.39	58...	5.24
41...	49.33	20.83	59...	4.33
42...	46.73	19.33	60...	3.46
43...	44.24	17.89		

## Ohio State Life

The Ohio State Life has announced a plan by which purchasers of new insurance may pay for it on a monthly basis. The monthly premium payment plan may be applied to any of the Ohio State contracts but the minimum payment is placed at \$5.

The West Point Township Mutual Fire of Lana, Ill., has been reorganized and has secured a new license.



## Can You Manage A General Agency Now?

In Iowa—Minnesota—Nebraska

Step out of the mere solicitor class this Spring. Get an agency for yourself now in Iowa, Minnesota or Nebraska. Our officials are "agency minded" and back you up with intensive, personal field help and attractive, modern policies. Write, telling all about yourself.

*Business increased 198.08% in last decade and a half — Assets increased 538.45%.*

## The Old Line Cedar Rapids Life INSURANCE COMPANY

Cedar Rapids, Iowa

Colonel C. B. Robbins, President  
C. B. Svoboda, Secy.—Jay G. Sigmund, Vice-Pres. & Agency Director

## THE MANHATTAN LIFE INSURANCE COMPANY

654 Madison Avenue at 60th Street,

New York City

Founded 1850

Thomas E. Lovejoy, President

LIFE ENDOWMENT RETIREMENT INCOME  
DOUBLE INDEMNITY DISABILITY  
MODIFIED LIFE PREFERRED RISK SALARY SAVINGS

### (CONT'D FROM PRECEDING PAGE)

Age	2	3	5	10	Net Cost End 10 yrs.
43....	48.00	50.20	54.20	67.60	2,464.40
44....	48.50	50.60	54.50	68.30	2,574.00
45....	48.90	51.00	55.00	71.80	2,688.20
46....	49.20	51.40	55.90	73.90	2,812.30
47....	49.70	52.10	58.30	76.50	2,942.10
48....	50.20	53.00	59.70	78.90	3,081.60
49....	50.70	53.90	61.10	81.30	3,230.10
50....	51.00	54.90	62.70	84.10	3,387.90
51....	51.70	56.10	64.50	87.00	3,556.10
52....	52.20	57.10	66.20	90.00	3,735.40
53....	53.00	58.40	68.40	93.60	3,924.20
54....	53.40	59.10	70.30	96.90	4,127.80
55....	54.20	60.10	72.60	100.70	4,344.70

A new optional method of settlement has been put in effect, similar to the

old option 4 with instalments certain but with the number of instalment certain varying according to age of payee. This variation was made so the total of guaranteed instalments certain should be exactly equal to the policy proceeds applied under the option, and thus the proceeds are "refunded" in guaranteed instalments.

Heretofore the Provident Mutual sold retirement life income according to income units rather than premium units. It now announces retirement life income for both men and women deriving from \$100 of yearly premium and is selling this form on both bases.

## AS SEEN FROM CHICAGO

### DE BARRY & ASSOCIATES REPORT

C. D. DeBarry & Associates of Chicago who have been transferring the insurance of the Women's Catholic Order of Foresters to an adequate rate basis report that in the period Jan. 1, 1932, to March, 1933, they have transacted a total of \$14,795,830, including transfers, increases and new business. New business was in excess of \$2,000,000, or 14½ percent of the total transacted for the organization.

Rewriting of out of date policies was so successful that the organization was retained to supervise the new business department. The DeBarry organization also was successful in handling conservation work for the Oregon Mutual Life. The DeBarry office is preparing to transfer another fraternal with 23,000 members to an adequate rate basis.

\*\*\*

### ALBRITTON'S BIRTHDAY PARTY

In view of the fact that April 10 will be the 49th birthday of E. S. Albritton, general agent in Chicago for the Provident Mutual, the agency force will hold a party in the office Monday morning, adjourning at noon for lunch. The staff is making a special effort this week in order to present to Mr. Albritton a large number of applications on that day. Mr. Albritton jocularly announces that he intends to have no more birthdays. Judge W. V. Brothers of Chicago, a close personal friend, will be a speaker at the party.

\*\*\*

### DR. SIMMONS GIVES TALK

Dr. E. G. Simmons, vice-president and general manager of the Pan-American Life, was in Chicago last week and addressed a joint meeting of the Chicago and Joliet, Ill., agency forces under Manager L. W. Ginter. Dr. Simmons' talk was made on the 21st birthday anniversary of the Pan-American Life. He showed that the company is in a strong position and gave some information regarding the moratorium.

\*\*\*

### OLD COLONY BUILDING SOLD

The Old Colony Life building, 166-72 West Jackson boulevard, Chicago, has been conveyed by Co-receivers A. S.

Keys and J. A. O. Preus to a representative of the Continental Illinois National Bank & Trust Company, as trustee. The bank some time ago filed a foreclosure suit as trustee for bondholders under a \$660,000 bond issue. The land and building become the property of the bondholders for \$10,000 cash and cancellation of the bond issue. Mr. Keys explained that the Old Colony Life, now in receivership, has had two years' time in which to redeem the building. Through avoidance of foreclosure sale, he said, heavy expense has been prevented and the company is permitted nine months' additional time for redemption over the period which would have been allowed if there had been a judicial sale.

\*\*\*

### DEMPTSTER MAC MURPHY PROMOTED

Dempster MacMurphy, who has been connected with the financial department of the Chicago "Daily News," and who has been writing insurance feature stories, has been promoted by Publisher Frank Knox and is made a member of the promotion department connected with the Daily News-Universal News Reel. Mr. MacMurphy's recent articles on life insurance companies' salaries attracted wide attention and caused some 2,000 letters being written to the "Daily News" and Colonel Knox.

\*\*\*

### ROTHAERMEL IS HONORED

Agency managers, associate managers and assistant managers of the Chicago agencies of the Equitable of New York tendered a luncheon to William Rothaermel, superintendent of agencies central department, following his return from his honeymoon. W. L. Gottschall, assistant agency manager of the Kellogg agency, was chairman and presented a chest of silver, gift of the managers. Short talks were made by John Morris and H. T. Wright, millionaire producers and by W. A. Weissmann, assistant manager of the K. M. Sacks agency. Among the guests were Dr. A. L. Sherrill, medical referee in Chicago; Dr. B. L. Rawlins, district inspector; Cashier William Echols, Assistant Cashier S. A. Henrich and A. M. Sloan, assistant to Mr. Rothaermel.

## AS SEEN FROM NEW YORK

By R. B. MITCHELL

### HYDE PUBLISHES PLAN BOOK

Recognizing that time management and planning are essential factors in successful life insurance production, Ben Hyde, Penn Mutual Life general agent in New York City, compiled a plan book for use in his agency. It met with such popular success that he has decided to distribute it generally. Mr. Hyde's book is comprehensive and enables an agent to keep all his records in one convenient volume, thus assuring that it will be kept up to date. There is a place for recording daily, weekly, monthly and annual reports, and separate sheets are included for budgeting, important things requiring attention, agent's changes, daily plan

and results, summaries of plans, and reports, commissions and policy record and income and their expenses. The book is bound in a durable blue leather, loose leaf cover and sells for \$5.

\*\*\*

### EXEMPTION OF CASH VALUE

Exemption of the cash value of endowment policies, the same as ordinary life policies, in bankruptcy has been at least partially upheld by Judge Knapp under the New York exemption law in the United States district court at Buffalo in the case of Dr. Horwitz. Dr. Horwitz carried about \$50,000 of endowment insurance payable to his wife.



nents certain  
instalment  
age of pay  
so the in  
certain sh  
policy proc  
and thus  
in guarant

at Mutual  
according  
premium un  
ment life  
omen deri  
m and is s  
es.

GO

o a repres  
Illinois  
pany, as  
me ago  
tee for  
bond  
ome the  
\$10,000  
and issue  
Old Colo  
has had  
redeem  
the  
expense  
pany is  
onal time  
which  
had been

PROMOT  
who has  
al depart  
ws," and  
ance feat  
by Publish  
a member  
at connect  
iversal New  
recent artic  
s' salaries  
caused som  
to the "Dail

ONORED  
ate manag  
the Chicago  
of New York  
iam Rotha  
encies cent  
return from  
Hottschall,  
the Kellogg  
presented  
the manag  
John Morri  
are product  
assistant man  
ency. Among  
Sherrill, me  
B. L. Raw  
hier William  
A. Hensch  
to Mr. Roth

ORK

lans, and  
y record  
The book  
weather, long

VALUE  
value of  
as ordin  
has been  
udge Knight  
option law  
court at  
witz.  
at \$50,000  
le to his wife

in case of death, and to himself if he should survive the endowment period. He became a bankrupt and the trustee in bankruptcy attempted to reach the cash surrender values. This was resisted under Section 55a of the New York insurance law. The decision of the court is that the policies be returned to the bankrupt but with a provision that if the bankrupt at any time shall change the beneficiary for his personal advantage, or if he shall survive until maturity of the policies and shall receive the proceeds himself, then the amount of cash surrender value which the policies had at the time that the doctor was adjudicated a bankrupt, shall become available to his creditors.

The apparent effect of the decision is to exempt endowment insurance so far as it is payable to a beneficiary other than the assured or his estate.

\* \* \*

#### SOME MARCH FIGURES

The Luther-Keffer Agency of the Aetna Life at New York City, announces that the agency paid for \$2,732,046 during March. The total business paid for up to April 1 is \$8,738,650.

Julian S. Myrick, manager Mutual Life of New York finds his paid-for business in March was \$1,907,313 as compared with \$2,700,591 for 1932. For the year the total paid-for business is \$5,858,814 as against \$8,082,300 in 1932.

\* \* \*

#### SQUIRES WITH HOME LIFE

Dwight C. Squires has been appointed a general agent for the Home Life of New York with offices in the home office building at 256 Broadway, New York. He has been with the Equitable Life of New York for the past five years, serving as assistant agency manager and more recently as home purchase supervisor. His previous business experience was entirely in the general insurance field on Long Island. He was postmaster at Port Jefferson Station for 14 years, a post which his father had held for 25 years prior to his taking it.

\* \* \*

#### BILLS NOT LIKELY TO PASS

There seems to be little chance of passage by the New York legislature of the 31 bills introduced by the insurance department giving it enlarged authority over the interests it supervises. The legislature will adjourn April 7 and the opposition to the bills is strong and effective. The sentiment among legislators seems to be that under the emergency act recently passed giving the superintendent of insurance, and the governor, extraordinary powers during the period of emergency and until the legislature or the governor decrees this no longer exists, the insurance department has all the power it needs for any purpose. There is always marked opposition to departmental measures in the legislature and the emergency act gives it strength in the present situation.

\* \* \*

#### RUMOR BILL PASSES SENATE

The New York senate by a substantial majority passed the bill making the circulating of unwarranted rumors affecting the standing of insurance companies a misdemeanor. Should similar action be taken by the assembly the measure would undoubtedly receive the signature of Governor Lehman.

## Disability Loss Shows Increase

(CONTINUED FROM PAGE 1)

from annuities" there is no corresponding item in the investment section of the gain and loss exhibit, annuity and life reserves being lumped together. Hence, to determine the gain or loss on investments from annuities it was necessary to take each company's annuity reserves according to the reserve basis, 3, 3½ or 4 percent, and compute the difference between the reserve basis and the company's net interest rate on its assets.

## Officials Differ in Their Views

(CONTINUED FROM PAGE 1)

case. Policy loans of companies of undoubted soundness were affected markedly in the territory most influenced by the collapse of the Illinois Life.

Thus, any "devil-take-the-hindmost" attitude in lifting the moratorium and exposing the companies to a flood of loans beyond the capacity of many of them to meet would only mean that the lid would have to be clamped down again or that the panic would spread until even the strongest companies would be unable to meet their claims.

Since the New York regulations have been amended so that they do not affect operations outside the state, the way has been cleared for the elimination of conflicts. Connecticut has already adopted a similar measure. While such a step would, if generally adopted, solve the conflict question, it would not alleviate the situation that would arise if some commissioner were to lift the ban to a degree that other commissioners would not feel justified in permitting in their own states in view of the condition of their companies. Companies in the latter group of states would immediately be put at a tremendous disadvantage as compared with the present status, where all companies are more or less in the same boat.

## Standard Practice Desired in Regard to Moratoria

(CONTINUED FROM PAGE 1)

moratorium. Far seeing executives take the ground that the lifting of it or placing the companies in sort of a percentage restrictive basis would be a grave mistake and would defeat the end. They argue that people should not be deprived of their equities in life insurance where they have a legitimate demand or need. This does not simply mean "distress money." These officials desire that the fundamental functions of life insurance be observed. The companies are paying death claims, matured endowments, disability benefits, installment claims, interest on proceeds left with companies, etc. In fact the companies are functioning fairly well. The moratorium at first seemed to shut down all claims on the cash equity. Gradually the scope has been enlarged and commissioners have recognized the need of protecting these equities from speculation, hoarding or other avenues that don't connect actually with the life insurance fund. Where there are actual needs or where commitments have been made it seems to be the impression that companies should be allowed to meet them. This would mean a gradual laying aside of the cloak until finally the companies would be functioning normally as before. As those greatly interested in the business have been delving into the subject more and more, they are convinced that this is the proper way to emerge and that there should be no sudden or drastic move.

Whether there can be any uniformity in this direction remains to be seen. Not all the commissioners will be present at the Chicago meeting. Some will undoubtedly disagree with whatever action is taken. However, it is hoped to get the more important states in line so that there will be practical unanimity.

Among the commissioners who have signified their intention to be present are Brown, Minnesota; Thompson, Missouri; Read, Oklahoma; Simms, West Virginia; Van Schaick, New York; Daniel, Texas; Tobin, Tennessee; Sullivan, Washington; Clark, Iowa; Thulemeyer, Wyoming; Olsness, North Dakota; Mortensen, Wisconsin; Holmes, Montana; Gough, New Jersey; Walsh, Maryland; Dunham, Connecticut; Palmer, Illinois.



## Financial Independence Week

Financial independence through Life Insurance is a potent expression of the new outlook—an outlook gained from the distressful experience of the last few years.

By identifying ourselves with Financial Independence Week we profit by this concerted attack on public inertia and by the stimulus of team work. We rank ourselves with the most constructive forces in our business.

It will pay us all to follow through.

Connecticut General  
Life Insurance Company  
Hartford, Conn.

## A brief summary of results in 1932—

Assets rose to \$95,505,469, an increase of \$3,685,711.

General Surplus to policyholders increased to \$5,209,332, a gain of \$451,731. In addition, a special reserve for contingencies was increased \$350,000 to \$1,000,000 and a special real estate profit reserve of \$172,935 was set aside. Combined, these funds total \$6,382,267, an increase of \$974,666, or 18% over 1931's figures.

Total Income amounted to \$23,333,545, less than 1% below the record high figures of 1931.

Payments to policyholders and beneficiaries totaled \$15,297,014, of which 75% went to living policyholders.

**THE GUARDIAN LIFE**  
ESTABLISHED 1860  
**INSURANCE COMPANY of AMERICA**  
50 UNION SQUARE • NEW YORK CITY

## Complete Life Insurance Service

*which includes:*

Policies for men, women and children from 1 day to 70 years.

Children's policies with Beneficiary Insurance.

Disability and Double Indemnity benefits.

Special clause providing Surgical and Dismemberment benefits may be included in policies.

Participating and Non-participating.

Special Monthly Sight Draft Premium Plan.

Sales Planning Department.

**NEW ECONOMIC LIFE PLAN DESIGNED  
ESPECIALLY TO MEET PRESENT CON-  
DITIONS.**

Henry W. Buttolph  
President

J. DeWitt Mills  
Superintendent of Agents

V. F. Larson  
Secretary

George Graham  
Vice-President

## Central States Life Insurance Company

HOME OFFICE

ST. LOUIS, MO.

## BROKERAGE BUSINESS

Good quality brokerage business from the State of Michigan is welcomed by THE DOMINION LIFE. If you have any such business to place, it will be worth your while to get in touch with our Detroit office.

F. W. SIMPSON

2724 UNION GUARDIAN BUILDING

PHONE CADILLAC 0604

DETROIT

THE DOMINION LIFE ASSURANCE COMPANY

Send 9 cents in stamps for sample copy of THE ACCIDENT & HEALTH REVIEW

The only exclusive accident and health paper published. It gives ideas and suggestions that help you sell income protection insurance. Address your inquiry to A-1946, Insurance Exchange, Chicago.

## Business As Usual Companies' Policy

(CONTINUED FROM PAGE 3)

message to policyholders as to state that nothing in the legislation passed or orders issued questions in the slightest degree the solvency of any life company.

Another company president states, "Insofar as the business in general is concerned, I do not understand that there was any inability on the part of practically all life insurance companies to concurrently meet the demand for policy loans and surrenders. I believe \* \* \* that an increasing demand for loans on the part of large policyholders was noted concurrently with the runs which were being made on the banking institutions; that the ultimate effect of the banking situation is not clear even at this time, and if any considerable number of the banks do not open or their opening is seriously delayed by reorganization, life insurance companies would be affected thereby in decreased income and in increased withdrawals from their funds \* \* \*. The general business outlook is one in which decreased income is probably to be anticipated \* \* \*. A measure of this sort is in reality for the protection of policyholders themselves as it assures beyond doubt the carrying out of the primary purposes of the contract."

### Companies' Loan Practices

In regard to policy loans to pay premiums, at least three companies are construing the loan restrictions as not permitting loans for premiums on new insurance. Six companies, large and small, are permitting such loans, construing such action as not involving the dissipation of cash. One company reports it also probably would be willing to permit a policy loan to pay premium on a policy carried by a member of the insured's family, provided the insurance were in the same company.

The president of another company operating in many states, however, believes a policy loan to pay first premium is not permissible under New York and other state department rulings, and if made would get companies into trouble. He says the public might take the view that companies are willing to and could make policy loans to promote their own interest, but refuse to do so where their interest is not involved.

### Pyramiding Is Feared

An important consideration is the possibility that many policyholders may pyramid by using values in old policies to buy new ones, with no assurance that they can pay future premiums on both new and old policies and might have to drop one or both. This always has been considered bad for the business from the persistency standpoint, and also because of the tendency toward overinsurance or speculation. Some companies, however, feel that this practice is just another way to keep up sales and support the agency force, although it may be poor business in the long run.

Most of the companies do not make loans on extended insurance, but three companies report they are willing to do as follows: 1, Reduce face and refund balance as cash surrender as usual; 2, surrender part and reduce face or reduce the extension, but with preference to surrender all and hold the excess over \$100 at interest; 3, no loans on extended insurance except where accompanied by a pure endowment feature; reduction of face on death. It was said by one company if it did loan on extended insurance, the face would be reduced to prevent anti-selection.

### Face of Policy Reduced

Of the few reporting companies which make loans on extended insurance, all reduce face amount, and one company reports it is granting whatever loans can be made and then surrendering the policy. To cover the balance of the value in the policy, the company is pre-

paring a certificate to be issued in lieu of the difference between the actual cash surrender value and the loan that is granted, the certificate to bear interest at the regular rate, which is 3½ percent, plus an extra 1 percent, in effect holding the amount covered by the certificate in trust pending lifting of the restrictions. The assured is given no option in the matter.

Surrender practices vary. One company at first urges the policy loan, and failing that, suggests on large policies that the part represented by \$100 of cash value be canceled, continuing the remaining insurance as a premium paying policy. If this is not desired, the policy is placed on an automatic reduced paid up insurance rather than extended term. But if assured insists on complete surrender, he is paid \$100 and, subject to restrictions, the remainder left on deposit.

### Offers Paid Up Insurance

Another company whose automatic nonforfeiture clause is extended insurance, asks agents to point out the merits of paid up insurance, in order to avoid possible embarrassment later when the emergency has passed and the policyholder would find much less equity remaining in an extended policy. Where a change involves a refund of less than \$100, the "extreme need" provision applies, but where more than \$100, this restriction makes it necessary to apply the surplus refundable amount to future premiums. One company makes no policy change unless the policyholder agrees to this practice.

A large middle western company on extension agreements and premium notes has reduced the minimum settlement to one-tenth of the annual premium for one month extension, but not less than \$5. Premium extension agreements will be accepted for renewal of semi-annual and quarterly payments. Great caution is being used in accepting first and second year premium notes.

### Public Is Philosophical

The Research Bureau finds in reports from many sections that the public is accepting the situation remarkably well. From California comes word that company men have experienced little difficulty with the field force, production is holding up well, being 20 percent ahead of March a year ago for one company and 12 percent ahead for the year thus far. A Kansas company notes that premium income is not materially affected by the moratorium. A Kentucky company reports the insuring public at large is taking the situation gracefully and the number of complaints received is almost negligible. From Wisconsin comes word that since the bank moratorium, the number of requests for loans and surrenders has dropped 50 percent. In Illinois March production exceeded business for the corresponding period last year. From New York came word that premium collections in the aggregate already have returned to about 80 percent of normal.

The bulletins so far have been based on reports from 79 companies from every section of the country, received by wire and air mail.

A number of reports indicate a strong trend toward the more economical forms. One company reports 40 percent of its business in the past two or three weeks on the five year modified life plan. Another company has just announced a step rate policy with premiums increasing for ten years and then going on level premiums, and another shortly will announce a special low premium policy.

The Research Bureau asks whether the "back to pure protection" idea should be fostered and specially pushed now, or agents should continue to sell cash value and investment policies. Future bulletins may be expected to contain widely scattered views on this subject.

W. S. Schley has been appointed general agent at George West, Tex., for Hidalgo county and vicinity by the Liberty National Life.



## Commissioners Committee to Assist R. F. C. Is Urged

(CONTINUED FROM PAGE 2)

ways of finding a way back to solid ground. Naturally one's thoughts turn to the organization of insurance commissioners and the possibility of their appointing a strong working committee from their own members. The R. F. C. was authorized in the law creating it to make loans to insurance companies and Senator Fletcher's proposed bill, if it should become law, would bring the R. F. C. into still closer touch with life insurance problems. This naturally suggests the thought that a committee of the insurance commissioners working with the R. F. C. could in a relatively short time arrive at a clear picture of the entire situation. The magnitude of the problem is small compared with that presented by the recent banking crisis. The number of banks was in the neighborhood of 18,000. The number of life insurance companies is less than 2 percent of that figure. The individual insurance commissioners already have an intimate knowledge of the condition of the companies in their own states and the R. F. C. itself has a certain amount of information.

### Should Work Jointly

If the insurance commissioners committee and the R. F. C. should unite in a conclusion with reference to any particular company, the authority of the insurance commissioner of its state could appropriately be brought into play. It is hard to believe that with the available avenues for relief, more than a few companies, representing but a very small fraction of the aggregate insurance in force, would not be able to operate on a business-as-usual basis. If the survey should indicate the opposite then the holiday should be prolonged. If not, it should be declared over as soon as possible. The analogy with the steps taken in the field of banking is not complete but is sufficiently close to indicate the objective.

Broadly speaking, there is no doubt about the great strength and the soundness of the institution of life insurance. The problem is basically one of exercising proper control so that any disclosed weak points may be removed in orderly fashion and lurking doubts dispelled. Millions of policyholders look upon their life insurance as a bulwark of safety and security. And they are right in doing so. When the cash and loan value restrictions are lifted my guess is that there will be no frivolous rush to draw out cash. However, measures analogous to those in effect in the banking field should be adopted to curb any such action. I believe policyholders, generally, will be only too thankful that through the years they have been entrusting their funds to the life insurance companies. Widespread will be the wish among policyholders that they had several times as much life insurance as they actually have. On the other hand many policyholders are in dire need of funds and should have access to the equities under their policies at the earliest possible moment consistent with the general good.

Let us not be cast down and discouraged. The means of finding a way out are at hand. We need not be unduly concerned about details. The all-important point is that coordinated control shall emerge so that good order may be preserved in the raising of the restrictions. It is unthinkable that the life insurance business should become subject to the law of the jungle. We are members one of another. The solution of our problem is to be sought in the spirit of that high principle so that the greatest good shall come to the greatest number.

### Industrial Bill Killed

The Massachusetts legislature killed a bill which would protect industrial agents against deductions from their commissions for lapsed business.

## Insurance Studies Farm Mortgage Refunding Plan

(CONTINUED FROM PAGE 3)

Mr. Wallace suggested several remedial measures, including voluntary debt adjustments, refinancing farm mortgages at low rate of interest, use of government instrumentalities, principally the federal land banks and Reconstruction Finance Corporation as a basis for refinancing on favorable terms, with a minimum burden on the federal treasury.

### DISCOUNT IS FEARED

NEW YORK, April 6.—The administration's plan for farm refinancing will probably have little effect on life insurance companies except those whose demands for policy loans make the sale of some of their farm mortgages imperative.

Just how large a factor those 4½ percent bonds would be in the life insurance farm loan situation would depend on what the market would be on these obligations. Right now the presumption is they would sell at a discount, presumably about 95. The fact that they would be guaranteed as to interest but not as to principal by the Treasury makes them something new in the world of finance. Without an actual test in the market it is difficult to say whether they will be classed by the public with government bonds or with the federal land bank bonds, which have been selling in the neighborhood of 93.

### Discount Is Predicted

Financial houses specializing in government bonds believe that the proposed issue would be much closer to federal land bank bonds than to the direct obligations of the government. This would mean that the bonds would be quoted at a discount, which in turn would mean that a life company accepting them in exchange for its farm mortgages would be writing off a portion of the debt. In case the bonds should sell at par or a premium they would, of course, be much more attractive.

To exchange these bonds, selling at a discount, for good farm mortgages would be distinctly unattractive to life companies not in need of cash, for with farm relief at hand the outlook for farm mortgages is considerably brighter than it has been in some time.

### CINCINNATI VIEWPOINT GIVEN

CINCINNATI, April 6.—Insurance companies of Cincinnati holding farm mortgages are inclined to approve President Roosevelt's plans for helping the farmer and believe they will have a favorable effect on insurance companies holding farm mortgages. The relief measures with regard to farm mortgages are only one part of the constructive plan to get the farmer back on his feet again and give him living prices for his produce. The improved prices will enable him eventually to pay off his mortgage but in the meantime those farmers whose mortgages have been foreclosed or were not paid at maturity will need some help in the way of reduced interest and in this the government will take a hand through a bond issue with rates to farmers at presumably 4½ percent. There will presumably be a scaling down of interest to insurance companies on mortgages which have matured but have not been paid. It should be borne in mind that the great bulk of farm mortgages are on perfectly good property and well secured and it is to be presumed that the rise in prices for farm products will enable these farmers to pay out. So far as the mortgage contract itself is concerned, speaking of both straight mortgages and those that are amortized, there is a penalty in the contract which amply protects the company in case the mortgage is paid off before its maturity. It may be argued that farmers having these mortgages will be inclined not to pay their interest at the higher rate but

# SATISFACTION

An agent must be fully satisfied that his Company is on the right basis and that it has policies to offer which will appeal.

The "Buffalo Mutual" meets these requirements in a clear cut way.

If you are interested in building a future in New York or Ohio, let us show you our agency contracts.

George W. Curtis,  
President

E. Parker Waggoner,  
First Vice Pres. & Supt. of Agents

## BUFFALO MUTUAL LIFE INSURANCE COMPANY

Organized 1872

Buffalo, N. Y.

## 82 YEARS CONTINUOUS SERVICE

Serving the Needs of Thousands of People....

The BERKSHIRE Life Insurance Company stands among the leading companies of the country today in the wide variety and broad diversity of its policy plans and contracts.

Since its very inception, way back in 1851, the Berkshire Life Insurance Company has always adhered to and been managed under the principle of mutuality. It continues to be operated as a strictly mutual Company under the laws and supervision of the Commonwealth of Massachusetts. The policyholders constitute the Company. Every benefit accruing to the organization by virtue of eighty-two years of experience and successful management redounds to the benefit of every individual policyholder.

The steady and persistent growth of the Berkshire Life Insurance Company has been the result of conservatively adopting and following sound practices.

## BERKSHIRE LIFE INSURANCE CO.

INCORPORATED 1851

FRED H. RHODES,  
President

PITTSFIELD, MASS.

# YEOMEN

# MUTUAL



## A Strong Financial Structure

Of the \$23,228,158 invested funds of the Yeomen Mutual Life, 61 per cent, or over 14 millions, is in federal, state and municipal bonds. Only 12 per cent or \$1,199,532, is invested in real estate mortgage loans. Such a highly liquid investment position is another reason why "In Yeomen There Is Strength."

# Yeomen

## MUTUAL LIFE INSURANCE CO.

A.H. HOFFMAN, PRESIDENT

Home office: Des Moines, Iowa

"IN YEOMEN THERE IS STRENGTH"

## THREE LITTLE WORDS

### "Full Level Premium"

Full level premium life insurance companies pay as they go. They put up the full reserve the first year and every year thereafter, on all business.

A full level premium company meets the reserve requirements of any and every state in the United States.

Mutual Trust Life is a full level premium company. That is one reason for its steady progress and why agents find a Mutual Trust contract a profitable one.

# MUTUAL TRUST

## LIFE INSURANCE COMPANY

EDWIN A. OLSON  
PRESIDENT  
CHICAGO  
ILLINOIS  
"AS FAITHFUL AS OLD FAITHFUL"

as it is understood that the farm relief plan as far as farm mortgages are concerned covers only a period of two years not many of these high class mortgages will be affected as the better farmers will be able to carry out their mortgage contracts under the improved prices that will prevail.

As to the proposed appraisal of farms it is understood that the period of 1909-1914 will be taken as a basis and on this basis insurance company mortgages will not be greatly affected. It is recognized that at least for some years there is likely to be a lower prevailing interest rate on farm mortgages, as probably on most other classes of securities, but confidence is expressed that farm mortgages will not be discriminated against and what cuts may be made will carry on through the small city mortgages, railroad bonds, municipal bonds, etc. In the reappraisal on farms on which mortgages have been foreclosed there may be some scaling down of values but on these mortgages the companies would probably have to take certain losses anyway and they will no doubt be inclined to cooperate in every way possible to help the class of submerged farmers get back on their feet and become once again self-sustaining. It is known that the insurance companies holding farm mortgages are working closely with government agencies seeking to bring about practical farm relief and the developments at Washington are meeting with insurance company approval as confidence is felt that the relief plans will not make a special class of farm securities any more than of municipal bonds, railroad bonds, city mortgages, etc.

## Prefers Mortgage to Land Bank Bond

(CONTINUED FROM PAGE 2)

ington to attend conferences in connection with the bill.

Although Mr. Westbrook spoke only for himself his views are significant in that he has been a leader in the insurance farm mortgage field for the past decade and he represents a company that has more than sixty millions invested in this field.

### Mortgages Known Quantity

Mr. Westbrook said farm mortgages "even in their present state are a known quantity." As such they are much to be preferred to the unknown quantity of the value of federal land bank bonds which may be substituted for them. Behind this opinion is the proven economic fact that security bearing a fixed and guaranteed rate of interest by the federal government will show a depreciation in value in a period of inflation "upon which we seem to be definitely entering despite any assertions to the contrary."

Insurance companies, he points out, are seeking security of principal and are little concerned with a fixed yield or interest return. In a period of inflation these known quantity mortgages would appear much more desirable than federal land bank bonds or even out-and-out government bonds.

Mr. Westbrook's opinion may be outlined as follows:

### Many Mortgages Good

There are millions of dollars of farm mortgages that are still good with interest paid and amortization cared for. The land owned by insurance companies is also going to be worth much more in a period of inflation.

The lowering of rate from 5½ or 6 percent to 4½ percent is not going to solve the individual problem. In the aggregate it amounts to millions but individually to little. The assertion that the bill will afford protection from immediate foreclosures and provides for extensions and new mortgages is of little interest to insurance companies

(CONTINUED ON LAST PAGE)

## ACTUARIES

### CALIFORNIA

Barrett N. Coates

Carl E. Herfurth

**COATES & HERFURTH**  
CONSULTING ACTUARIES

114 Sansome Street  
SAN FRANCISCO

437 So. Hill Street  
LOS ANGELES

### A. WESLEY JONES

Consulting Actuary  
Annuity Specialist  
300 S. Brand Blvd.  
Glendale, California  
Phone: Douglas 3118

### ILLINOIS

**DONALD F. CAMPBELL**  
CONSULTING ACTUARY

160 N. La Salle St.  
Telephone State 7298  
CHICAGO, ILLINOIS

### L. A. GLOVER & CO.

Consulting Actuaries  
128 North Wells Street, Chicago  
Life Insurance Accountants  
Statisticians

**J. Charles Seitz, F. A. I. A.**  
CONSULTING ACTUARY

Author "A System and Accounting for a Life Insurance Company,"  
Attention to  
Legal Reserve, Fraternal and Assessment Business—  
Pensions  
226 North La Salle Street  
Phone Franklin 6559  
Chicago

### INDIANA

**Haight, Davis & Haight, Inc.**  
Consulting Actuaries

FRANK J. HAIGHT, President  
Indianapolis, Omaha, Kansas City

### HARRY C. MARVIN

Consulting Actuary  
307 Peoples Bank Building  
INDIANAPOLIS, INDIANA

### MISSOURI

**ALEXANDER C. GOOD**  
Consulting Actuary

615 Trust Co. Bldg., Jefferson City,  
and  
800 Security Building, Kansas City

### NEW YORK

**MILES M. DAWSON & SON**  
CONSULTING ACTUARIES

500 Fifth Avenue  
New York City

### PENNSYLVANIA

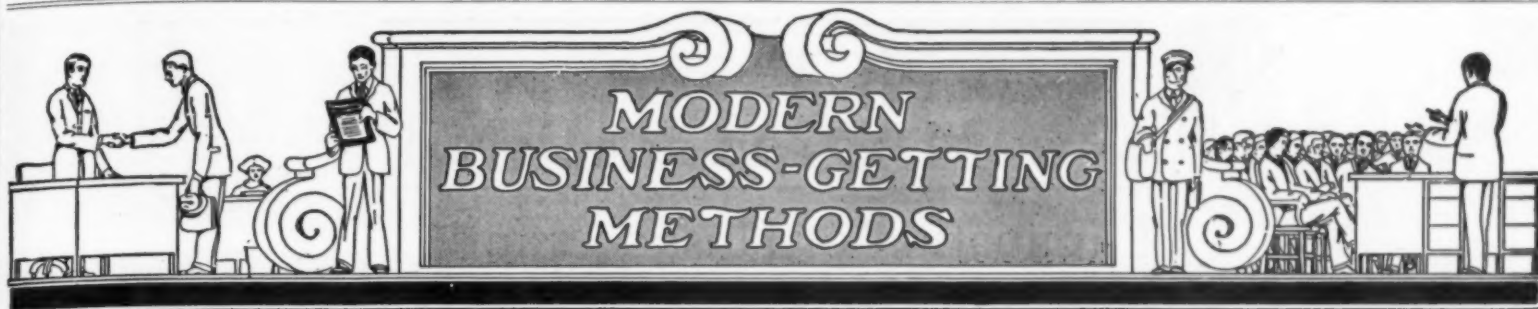
**FRANK M. SPEAKMAN**  
Consulting Actuary

Associates  
Fred E. Swartz, C. P. A.  
E. P. Higgins  
THE BOURSE  
PHILADELPHIA

Send 9 cents in stamps for sample copy of  
THE ACCIDENT & HEALTH REVIEW  
The only exclusive accident and health paper  
published.

It gives ideas and suggestions that help you  
sell income protection insurance.  
Address your inquiry to A-1946, Insurance  
Exchange, Chicago





## Some Arguments Used by Agents in Meeting Sales Resistance During these Moratorium Days

Life insurance field men are having no easy time these days in selling insurance because of the moratorium and the unreasonable attitude on part of many people toward life insurance. Perhaps life insurance impregnability has been oversold. People began to feel that whatever happened to mankind, their life insurance was always safe and they could rely upon it as the one supreme foundation in any emergency. Therefore they were stunned when they heard of legal reserve life insurance failures even though these companies were manhandled or exploited. Then came the moratorium and much publicity attached to the fact that the states had laid a prohibition on surrenders and cash values.

### People Begin to See Reasonableness of Action

It is a universal trait of mankind to resent a prohibition. Many people had not thought of borrowing on or surrendering their policies but when they found that these state edicts had been issued they rose up in their wrath and condemned life insurance. As the days have gone by and people have been learning more about the causes that led to the moratorium and have been told that if these state proclamations had not been made, life insurance companies would have been destroyed or greatly weakened, and all their funds that had been accumulated largely for protection of families impaired, they have begun to appreciate the reasonableness of the action. Whatever has been done has been along the line of protecting policyholders. Life companies should not be called upon to stand the brunt, not only of all life insurance demands themselves but all banking requirements. When the banks closed then disaster faced life companies because policyholders would demand their money since they could get it nowhere else.

### Basic Functions of Life Insurance Are Preserved

It must be understood that the basic functions of life insurance are being preserved. Until 25 years ago companies did not pay cash or surrender policies unless there was a very severe penalty exacted. Companies were not supposed to be in the business of banking. Then the investment feature of life insurance was extended and its scope was enlarged. However, there was no intention on part of the management of companies to have life insurance invade the banking field and take the place of banks. It was never to be supposed that people were withdrawing their life insurance equities for other than real needs. Life insurance has always been regarded as a sinking fund or a last reserve or defense when all other avenues have been exhausted. It never occurred to executives that life insurance money would be withdrawn for hoarding or speculation or for entering into different lines of business that may have seemed rosy. It was regarded as a conservator of business. If a business

were established and its underpinnings were being impaired, then life insurance could be used legitimately. It has been the illegitimate use of life insurance funds by policyholders that has wrought harm. They have been asked to bear far more than they should.

### Life Companies Are Meeting All the Social Demands

Today life companies are paying out death claims, installment benefits, double indemnity benefits, endowments maturing, disability benefits, policyholders' dividends that have been declared, annuities, interest on funds left with companies. Then gradually the states are modifying their edicts so that it is predicted that in a short time life insurance money will be available for all normal uses and needs. In states like New York and Illinois, life insurance money can be drawn for extreme need, money to pay taxes, interest, rent, hospital and medical service, food, educational purposes, prevention of penalties on commitments prior to a certain date, to farmers for agricultural purposes, payrolls. This, after all, is quite a wide scope. It is to be hoped that these state edicts will be modified so that the legitimate needs of policyholders will be met but it would be unwise at present to satisfy what might be termed the speculative, hoarding, exploiting or plunging instincts and to thrust life insurance into the banking field even more extensively than in the past.

### No One Will Lose on His Good Life Insurance

Many people have lost money by banks failing or being opened on a restricted basis. They have lost through investments of all sorts. Their real estate is not worth anything like it was in days gone by. Yet no one is losing anything who is insured in a sound legal reserve life company. All the fundamental functions of life insurance are being observed. For a time people may be inconvenienced in not being able to borrow on a policy or surrender for cash. If, however, a person knew that he would get back what he had deposited in a failed bank, or if he could get the face value of his investments or what he paid for, he would be abundantly satisfied. People today are perfectly willing to have their investments reduced horizontally so that the face value and interest rate will be in accord with the debtor's ability to pay. Life insurance, however, is still 100 percent solvent. No one will lose a cent in a good company. All that is found is a temporary inconvenience.

### Great Majority of Bank Deposits Are Still Frozen

Agents are busy formulating answers to those prospects who cite the life insurance moratorium as a reason for doubting the availability of cash values. One line of argument goes as follows:

Closing down the banks was hailed as a great move by the President. It prevented the ruin of the banks by a

relatively few panic stricken depositors. The danger was apparent and spectacular and the President acted.

If all the banks had opened in full as suddenly as they closed, the life insurance moratorium would not have been necessary. What is not realized is that a very large percentage of bank deposits are still frozen. Consequently, depositors in the frozen banks turned to their life insurance, creating exactly the situation in life insurance which caused the President to declare the universal bank moratorium.

Secretary of the Treasury Woodin says 90 percent of the national bank deposits are now freed, but freezing even 10 percent of the deposits runs into billions, with the consequent demand on life insurance. Besides that, great numbers of state banks are still closed, or operating on 5 percent limits, with 95 percent frozen. Here again the depositors turned to their life insurance.

### Life Insurance Liquid Beyond Ordinary Needs

Life insurance is liquid even far beyond ordinary needs. In the ordinary course of business companies paid \$4,500,000,000 to policyholders and claimants in 1932. The Reconstruction Finance Company, which is supposed to be the great saviour of the country, has disbursed only \$1,500,000,000. That is scarcely equal to the additional load assumed by the life companies in 1932. Before 1932 the ordinary disbursements of the life companies ran below \$3,000,000,000. The jump to \$4,500,000,000 in 1932 was greater than the entire activity of the Reconstruction Finance Corporation.

Beyond that, the companies were liquid up to the moment of the universal moratorium on banks proclaimed by the President. Any one who will cite the President's moratorium to show that bank deposits are not liquid can justly claim that life insurance values are not liquid. Any one who admits that an extraordinary situation justified the President's action in closing the banks must admit that the continuing extraordinary situation, throwing the bank burden on the life companies, justifies the life insurance moratorium. The banking solution is hailed as a great one. If all the banks were opened, the excessive demand on the life companies would cease and they could remove restrictions just like the banks. What confronted the President on banks still confronts the life companies.

### Limited Banking Facilities Still in Many Sections

What people fail to realize is that there are whole sections of the country still with very limited banking facilities. The correspondent of THE NATIONAL UNDERWRITER in a large city writes: "I know it is not according to rules and regulations in any office, but will you in my check this month make it railway express order or a post office order. Outside of your check, which I sent on for collection by the express company (and it cost me 40 cents) I haven't been able to collect a cent for the past 45 days. The checks I receive are all on open banks but they are held in this city for some reason or other. We have only two banks open here, the — and the —. The rest closed to a certain extent, 95 percent frozen and the checks sent out for collection—well, you can't get the money for them. Do this for

me, this once, please." That letter is dated April 2.

Naturally every policyholder in that section of the country needs cash, just like everybody else, and if the policyholders in even one section fall back on their life insurance for cash, it is enough to create a run. In a bank run it is not every depositor who demands his money. Only the panicky few. But when all the policyholders in an entire section or in several sections, demand their money, it amounts to a run on the life companies. If the President's moratorium was wise, the life insurance moratorium is wise. If the President's moratorium does not mean that bank deposits are not liquid, then the life moratorium does not mean that life insurance values are not liquid.

### Many People Have Wrong Idea About Their Insurance

Policyholders who live in districts where the banks are not open and operating normally cannot judge of the life insurance situation. Most of them have no real complaint about inability to get their life insurance values. They can get the money they need, which they could not do from the banks during the bank moratorium. They would be just as sensible to withdraw their money from banks that have reopened, and start another run, as to demand their life insurance values when they do not need them. If the bank moratorium was sensible, then the continuation of the life insurance moratorium is sensible. Neither reflects on the essential liquidity of the banks or of life insurance. It is only necessary to remember that this is a vast country, and immense sections are almost without banking facilities to the present day, to realize that the demands on the life companies come, not from places where the banks are open, but from places where the banks are restricted or closed.

As to the inequality of the moratorium, that is due to the 49 jurisdictions over life insurance. There was equally great confusion in the bank moratorium, until the President stepped in. Constitutionally he could not step in and equalize the life moratorium.

An agent who had the salaries of life company officers "thrown in his face" answered: "Sure, you don't want office boys looking after your money, do you?"

He went on to assert that the life companies were going fine up to the bank moratorium. They were meeting every obligation and were amply liquid. Then when the moratorium struck they were too busy to think of details like officers' salaries, which all told don't amount to a postage stamp per year on \$1,000 of insurance. The officers have taken a cut now, and it might have been better if they had thought of it first, but the showing of life insurance up to the President's moratorium justifies good salaries.

### Sales Tax and Insurance

Attorney General Kerner of Illinois has informed Superintendent Palmer that the new Illinois 3 percent sales tax does not apply to insurance, the tax only being imposed on tangible personal property.

## We Think We've Got It

Life Agents have long known a prolific income awaited them in the Health and Accident field, on business they could readily write.

The trouble has been to find a class of contract which fully met their ideas of income protection.

We think we've got it in our new line of policies. Send in the coupon and we will send you further information.

MAIL COUPON

### INTER-OCEAN CASUALTY COMPANY

Executive Office  
CINCINNATI-OHIO

Inter-Ocean Casualty Co.,  
American Bldg., Cincinnati, Ohio.

Please send me information regarding your accident and health policies.

NAME .....

STREET .....

CITY ..... N. U.

### CLAY W. HAMLIN "DEFINITIZER" SYSTEM

Manual for the manager on Mr. Hamlin's complete time control plans and 3 copies of the "Definitizer" for \$1.00.

Insurance R & R Service  
Indianapolis, Indiana

"Life Insurance" by Associate Actuary J. B. MacLean of the Mutual Life of New York in its third edition is a revised work because of radical changes in the insurance situation with regard to a number of subjects. This is a most valuable book containing 20 chapters devoted to practical information of life insurance in its various phases. Price \$4, sold by The National Underwriter.

# AGENCY MANAGEMENT

## Elimination of Unsuccessful Agent Considered Necessary

Unfortunate as it is to the agents affected, it is necessary in these days to eliminate the unsuccessful agent just as soon as it appears that he has little chance to succeed in the business, it was the consensus at the March meeting of the Life Agency Supervisors Association of Chicago. A round table on the subject "Recruiting and Elimination of Agents" was held with Harry Walters of the Stumes & Loeb general agency of the Penn Mutual as chairman.

Desk space is valuable; the agents use correspondence and telephone facilities. They are in most offices given the privilege of having typewritten presentations and briefs prepared. All these services are an expense to the agency, which cannot afford to give them to unproductive agents, it was felt.

### Cancelling of Contract Recommended as Tonic

Cancelling of agency contracts of non-producers often has a beneficial effect on them, serving as a challenge to their ability, and it helps the morale of other agents. One office requires a minimum production from its agents or else they are deprived of their desks and forced to operate over the counter. Many agents who thus suffer the loss of the ordinary facilities get busy and write

enough business so they can get back their desks. The minimum set by this and many other offices is \$100,000 paid business.

A. H. Hiatt of the Aetna Life believes recruiting and elimination are tied closely together. He explains several methods of getting agency prospects. One way is to induce successful salesmen in other lines to talk to the agency force. This excites their interest in life insurance and sometimes they come into the fold. Another way is to get in touch with personnel officers of businesses who have records containing much information on men seeking jobs. This information is invaluable in preselection of prospective agents by the supervisor before interviewing them.

### Center of Influence Method Also Is Found Good

Centers of influence also are good. Mr. Hiatt said the "situations wanted" classified ads are worth watching, for if the man out of work spends money for an advertisement to get a job, Mr. Hiatt believes it is worth a 3-cent stamp to get in touch with him.

The victims of mergers and business failures also are good prospective agents. Policyholders quite frequently turn out to be successful agents. Another classification is retiring public officials. They have large circles of friends and often great influence. Male school teachers, Mr. Hiatt finds, make good agents as a rule. At present these are underpaid as a class and in some cities are not getting their pay at all on account of depleted public funds. It is worth while to watch trade papers and clip items on all changes, marriages, births, etc., in these various fields. Last but by no means least as a source of agents is the agency force.

Z. C. Yates, Union Central, found the best of agents were obtained through the regular agency force as these were hand picked. A newspaper ad campaign, he said, is least satisfactory as a great deal of time is required in interviewing applicants, and credit reports are necessary.

### Results of Newspaper Advertising Plan Given

The Union Central's office in Chicago under Manager H. A. Zischke tried this mass recruiting system recently, putting in several newspapers a classified advertisement and receiving 154 replies. The applicants were interviewed 25 at a time. There were 70 men who appeared for the interviews, 25 signed applications to enter the training class, but only 15 of these actually started the course and only nine finished it.

At the end of a week's time of actual selling, five of the nine were eliminated because of unsatisfactory credit reports and six weeks after the campaign was started only one man remained. Mr. Yates said his office believes in maintaining an agent's contract so long as the man is not a trouble maker, appears to be trying and desk room is available.

E. S. Rappaport, assistant manager of the Pacific Mutual's branch in Chicago told results of a mass recruiting plan in which there were 250 replies from men generally meeting the qualifications. These were weeded out by interviews and the agency finally was left with 12 men in a training class. All finished the intensive course of a week,

running from 8:30 a. m. to 5 p. m. each day with only a short time for lunch and also involving home work. There are seven of these 12 men remaining of whom some undoubtedly are or will be substantial producers, Mr. Rappaport said. As against this mass production "run 'em through the sausage mill" type of recruiting, he leans toward the selective process. He finds recruiting agents much similar to regular agents' prospecting.

Samuel Leland, Jr., manager life department Fred S. James & Co., and president of the association, presided.

## Prefer Mortgage to Land Bank Bonds: Westbrook

(CONTINUED FROM PAGE 22)

which have only foreclosed in cases of abandoned farms or where the tenant refuses point-blank to help solve his own difficulty. You cannot legislate remedial statutes in such instances. If the bill, as asserted, will result in scaling the debts of the farmer all debts will have to be scaled in all classes of society. There should be no uniform scaling as there are many mortgages which are for only 25 percent of the present actual value of the farm. It is unreasonable that such debts be scaled in the same amount as those of the farmer whose mortgage is 100 percent.

Authorization of \$50,000,000 loans by the R. F. C. to drainage, levee and irrigation districts will in many instances reduce and refinance outstanding indebtedness which was incurred through extravagance and in districts which never should have been drained.

Summed up, the most important belief of the insurance leader is that the bill will not be of great benefit to the companies as they are already practicing many of the bill's features. The individual companies know the principal value of their holdings at present as contrasted with lack of knowledge of value of land bank bonds which would be substituted for the mortgages.

### New Pittsburgh Office Opened

The formal opening of the new Pittsburgh offices of the Lincoln National Life was celebrated April 1 with a special sales congress for western Pennsylvania. S. M. Thompson, general agent, was in charge. Vice-president A. L. Dern and J. J. Klingenberg, assistant secretary and auditor, attended from the home office. The meetings were held in the new agency quarters in the Koppers building. The Pittsburgh agency reports a 20 percent gain in paid business for the first two months.

\$1,000 to \$1,600

Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000

Of course issued in larger amounts

**ALL PREMIUMS RETURNED**

in addition to face of policy in event death before age 60

FULL FACE THEREAFTER AND PREMIUM REDUCED 20%

Original cost, age thirty, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter

Write for Sample and Particulars

This is one of many unique contracts issued by

**Federal Union Life**  
FRANK M. PETERS, President  
Cincinnati, Ohio



## PURE PROTECTION LIFE INSURANCE

### No Cash Demand Liabilities

except a small amount of advance premium payments

We are in the Life Insurance Business only—furnishing protection to our policyholders at a low net cost.

Operating in Illinois, Michigan, Indiana and Missouri.

## INTERSTATE RESERVE LIFE INSURANCE COMPANY

Mutual Legal Reserve Life Insurance

Ten East Pearson Street :: :: CHICAGO

Phone Superior 1714